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Financial Statements Compendium

2000-01

Part A

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Saskatchewan

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GUIDE TO THE COMPENDIUM

This Compendium is comprised of the financial statements of various government boards, agencies, commissions, superannuation funds, special purpose funds and institutions as well as those Crown corporations which are accountable to the Treasury Board.

The financial statements are for fiscal periods ending within the Government's fiscal year April 1, 2000 to March 31, 2001.

While many of these entities are required to table their financial statements in the Legislative Assembly as separate reports, this Compendium serves to provide ease of public access to their financial statements.

Financial statements for Crown corporations that are accountable to the Crown Investments Corporation appear in a separate compendium of annual reports compiled by the Crown Investments Corporation.

The Compendium consists of two parts:

Part A - Educational Institutions
Pension and Benefit Plans
Crown Corporations
Trust Funds

Part B - Other Entities
Health Care
Revolving Funds
Agricultural Entities

Each Part includes a complete table of contents for the whole Compendium, as well as a complete alphabetical listing, with page number reference, in an index.

Internet Address

The Compendium of Financial Statements is on the Internet at http://www.gov.sk.ca/finance

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Financial Statements not available at time of printing:
Public Trustee for Saskatchewan

AUDITORS' REPORT

To The Directors
Carlton Trail Regional College

We have audited the statement of financial position of Carlton Trail Regional College as at June 30, 2000 and the statements of operations, changes in fund balances and cash flows for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

EJC Dudley & Co
Chartered Accountants

Wynyard, Saskatchewan
October 11, 2000

Statement 1

Carlton Trail Regional College
Statement of Financial Position
as at June 30, 2000

	2000			
	Operating	Capital	Total	1999
Assets				
Current Assets				
Cash and Temporary Investments	363,623		363,623	964,356
Accounts Receivable	311,732	0	311,732	223,802
Inventories	10,961	0	10,961	7,612
Prepaid Expense	17,137	0	17,137	36,877
	703,453	0	703,453	1,232,647
Capital Assets (Note 4)	0	1,278,026	1,278,026	443,894
	703,453	**1,278,026**	**1,981,479**	**1,676,541**
Liabilities				
Current Liabilities				
Accounts Payable (Note 6)	182,792	0	182,792	165,279
Deferred Revenue (Note 7)	263,694	0	263,694	238,424
Current Portion of Long Term Debt (Note 8)	0	3,484	3,484	16,935
	446,486	3,484	449,970	420,638
Long-Term Debt (Note 8)	0	0	0	5,265
Fund Balances				
Invested in Capital Assets	0	1,274,542	1,274,542	421,694
Externally restricted (Note 9)	0	0	0	573,884
Internally restricted as reserves (Note 9)	95,955	0	95,955	152,638
Unrestricted	161,012	0	161,012	102,422
	256,967	1,274,542	1,531,509	1,250,638
	703,453	**1,278,026**	**1,981,479**	**1,676,541**

See Accompanying Notes

APPROVED BY THE BOARD

Doug Sil

Donna M. Jungwirth

Statement 2

Carlton Trail Regional College
Statement of Operations
for the year ended June 30, 2000

	Operating			Capital		Total	
	Budget (note 10)	2000	1999	2000	1999	2000	1999
Revenues (Schedule 1)							
Saskatchewan Post-Secondary Education and Skills Training	2,119,031	2,660,095	2,697,174	329,543	102,396	2,989,638	2,799,570
Federal Government	296,800	359,551	831,518	0	15,276	359,551	846,794
Other Revenue	739,065	710,750	736,159	38,449		749,199	736,159
Total revenues	3,154,896	3,730,396	4,264,851	367,992	117,672	4,098,388	4,382,523
Expenses (Schedule 2)							
Contractual and Professional Services	512,376	938,703	1,281,746	0	0	938,703	1,281,746
Rentals	184,155	227,661	247,338	0	0	227,661	247,338
Repairs and Maintenance	37,680	23,867	33,707	0	0	23,867	33,707
Amortization	0	0	0	172,519	90,899	172,519	90,899
Operating Expenses (Schedule 3)	492,146	471,872	550,830	784	2,627	472,656	553,457
Personal Services	1,874,285	1,982,111	1,986,683	0	0	1,982,111	1,986,683
Total expenses	3,100,642	3,644,214	4,100,304	173,303	93,526	3,817,517	4,193,830
Excess/<deficiency> of revenue over expenses	54,254	86,182	164,547	194,689	24,146	280,871	188,693

Statement 3

Carlton Trail Regional College
Statement of Change in Fund Balances
for the year ended June 30, 2000

	Capital			Operating			
	Invested in capital assets	Externally restricted assets	Internally restricted assets	Internally restricted assets	Unrestricted	2000	1999
Balance, beginning of the year	421,694	573,884	56,683	95,955	102,422	1,250,638	1,061,945
Excess(deficiency) of revenue over expenses	194,689				86,182	280,871	188,693
Interfund transfers	658,159	(573,884)	(56,683)	0	(27,592)	0	0
	1,274,542	**0**	**0**	**95,955**	**161,012**	**1,531,509**	**1,250,638**
Balances, end of year		1,274,542			256,967		

Statement 4

Carlton Trail Regional College
Statement of Cash Flows
for the year ended June 30, 2000

	2000	1999
Cash from operating activities		
Excess(deficiency) of revenue over expenses	280,871	188,693
Amortization of capital assets	172,519	90,899
Net change in non-cash working capital	(28,756)	(110,187)
	424,634	169,405
Investing activities		
Purchase of capital assets	($1,006,651)	($290,962)
	(1,006,651)	(290,962)
Financing activities		
Repayment of long-term debt	(18,716)	(15,373)
	(18,716)	(15,373)
Increase(decrease) in cash during year	(600,733)	(136,930)
Cash equivalents at the beginning of the year (Note 2)	964,356	1,101,286
Cash equivalents at the end of the year	363,623	964,356

Schedule 1

Carlton Trail Regional College
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2000

	Administration	Programming				Support Services				
	General Revenue	Community & Individual Development	Adult Basic Education	Vocational Technical	University Credit	Career Services	Student Services	2000 TOTAL	Budget	1999 Total
Post-Secondary Education and Skills Training										
Admin Recovery	94,000	0	0	0	0	0	12,500	106,500	172,750	102,500
Base Grant	1,065,650	0	0	0	0	0	0	1,065,650	728,633	812,661
Outreach Fund	0	0	0	0	0	0	0	0	190,000	230,355
Program Payments	0	0	272,168	590,459	0	0	0	862,627	1,012,648	1,462,205
RSB Payments	17,660	183,183	19,967	0	0	47,394	0	268,204	15,000	
Other	44,165	0	71,571	241,378	0	0	0	357,114		89,453
	1,221,475	183,183	363,706	831,837	0	47,394	12,500	2,660,095	2,119,031	2,697,174
Federal Government										
Admin Recovery		0	0	0	0	0	0	0	15,000	1,554
Seat Purchases	0	0	0	0	0	0	0	0	0	305,146
Projects	13,750	338,916	6,885	0	0	0	0	359,551	281,800	415,332
Other	0	0	0	0	0	0	0	0	0	109,486
	13,750	338,916	6,885	0	0	0	0	359,551	296,800	831,518
Other										
Admin Recovery	3,864	0	0	8,549	0	0	0	12,413		33,480
Contracts	8,080	9,900	0	107,819	54,450	0	0	180,249	144,210	109,345
Interest	37,502	0	0	0	0	0	0	37,502	25,000	48,903
Rents	9,581	50	0	21,041	0	0	0	30,672	45,000	71,113
Resale Items	20	23,306	2,868	42,538	44	0	0	68,776	102,100	73,195
Tuitions	0	161,508	4,455	184,788	0	60	0	350,811	384,976	390,328
Other	24,885	768	0	2,236	2,438	0	0	30,327	37,779	9,795
	83,932	195,532	7,323	366,971	56,932	60	0	710,750	739,065	736,169
Total Revenue	1,319,157	717,631	377,914	1,198,808	56,932	47,454	12,500	3,730,396	3,154,896	4,264,851
Total Expense (Schedule 2)	1,400,638	606,413	330,499	1,015,213	89,866	150,131	51,455	3,644,214	3,100,642	4,100,304
Excess(deficiency) of revenue over expenses	(81,481)	111,218	47,415	183,595	(32,934)	(102,677)	(38,955)	86,182	54,254	164,547

Schedule 2

Carlton Trail Regional College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2000

	General Administration			Programming				Support Services				
	Board	Administrative	Organizational	Non-credit	Adult Basic Education	Vocational Technical	University Credit	Career Services	Student Services	2000 total	Budget	1999 Total
Contractual and Professional Services	1,451	52,864	16,551	194,475	25,074	565,340	62,189	2,465	18,294	938,703	512,376	1,281,746
Rentals	0	87,728	33,662	22,625	44,936	28,263	0	8,379	2,067	227,661	184,155	247,338
Repairs and Maintenance	0	11,052	6,534	670	3,964	1,223	197	135	92	23,867	37,680	33,707
Operating (Schedule 3)	19,871	147,697	80,087	70,413	36,646	99,129	6,204	10,444	1,380	471,872	492,146	550,830
Personal Services	15,162	398,926	529,053	318,229	219,878	321,258	21,276	128,707	29,622	1,982,111	1,874,285	1,986,683
	36,484	698,266	665,888	606,413	330,499	1,015,213	89,866	150,131	51,455	3,644,214	3,100,642	4,100,304

Schedule 3

Carlton Trail Regional College
Schedule of Operating Expenses
for the year ended June 30, 2000

	2000	1999
Operating Expenses		
Advertising	35,914	39,712
Association Fees and Dues	8,354	8,180
Bad Debts	11,730	3,400
Bank Charges and Interest	148	96
Computer Software	7,322	8,401
Conference and Training Fees	21,796	19,686
Insurance	11,292	6,785
Materials and Supplies	69,187	79,645
Postal, Freight and Courier	21,681	24,532
Printing and Duplicating	5,420	963
Resale Items	72,709	69,462
Subscriptions	1,656	1,521
Telephone and Fax	68,928	66,625
Travel	84,649	104,418
Utilities	31,373	30,109
Other	8,826	21,603
GST		48,606
Equipment under capitalization amount	10,887	17,086
Total	471,872	550,830

Schedule 4

Carlton Trail Regional College
Schedule of Reserve Transactions
for the year ended June 30, 2000

	Balance, Beginning of Year	Add: Appropriations from unrestricted net assets	Add: Interest allocated from unrestricted net assets	Less: Transfers to unrestricted net assets	Balance, end of the year
Operating	95,955	0	0	0	95,955
Capital Future Expenditures	56,683	0	0	(56,683)	0
Total	**152,638**	**0**	**0**	**(56,683)**	**95,955**

CARLTON TRAIL REGIONAL COLLEGE
Notes to the Financial Statements
for the year ended June 30, 2000

1. PURPOSE AND AUTHORITY

The Carlton Trail Regional College offers educational services and programs under the authority of Section 14 of The Regional Colleges Act.

The Board of the Carlton Trail Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of The Regional Colleges Act and its regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating Fund

The operating fund consists of those revenues and expenses relating to the general operations of the College.

(ii) Capital Fund

The capital fund reflects the undepreciated capital assets of the college and the equity of the College in capital assets, after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense. Also included in the capital fund are the appropriations for future capital expenditures.

(b) Revenue Recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following terms, and is reported as an expense in the capital fund:

Buildings	20 years
Furniture and Equipment	3 to 5 years
Leasehold Improvements	Term of Lease or estimated useful life

CARLTON TRAIL REGIONAL COLLEGE
Notes to the Financial Statements
for the year ended June 30, 2000

(d) **Inventories**
Inventories are recorded at the lower of cost and net realizable value.

(e) **Investments**
Investments are recorded at the lower of cost and market value.

(f) **Cash and Temporary Investments** are represented by cash on hand and balances with banks.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$128,415	$ 87,378
Federal Government	48,329	54,906
Other	134,988	81,518
	$311,732	$223,802

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2000 Net Book Value	1999 Net Book Value
Land	$ 600	-0-	600	600
Buildings	198,975	76,581	122,394	132,343
Furnishings/Equipment	810,095	679,230	130,865	76,020
Leasehold Improvements	1,159,853	135,686	1,024,167	234,931
	2,169,523	891,497	1,278,026	443,894

5. COMMITMENTS

The College is obligated under the following lease agreements:

(a) Administration Building: A five year lease, expiring June 30, 2001, calls for monthly rental payments of $5,000 plus GST.

(b) Humboldt Education Centre: The joint-use Operating Agreement (three years) requires an annual maintenance fee of $2,100 per month.

CARLTON TRAIL REGIONAL COLLEGE
Notes to the Financial Statements
for the year ended June 30, 2000

(c) Watrous facility: An open ended lease (99 years) with Long Lake School Division specifying payment of operating costs only.

(d) Equipment: The College is committed to an annual lease payment of $9,285 plus sales taxes in respect of photocopier equipment. The lease expires February, 2002.

(e) Wynyard Facility: A 10 year lease expiring December 31, 2009 specifying payment of operating costs only.

6. ACCOUNTS PAYABLE

Accounts payable are composed of the following:

	2000	1999
Accrued Vacation Pay	$ 57,839	$ 54,177
Payroll and Employee Benefits	32,564	34,262
Trade Payables	53,289	63,970
Provision for Retro Pay	39,100	12,870
	$182,792	$165,279

7. DEFERRED REVENUE

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$258,952	$226,656
Federal Government	- 0 -	1,043
Other	4,742	10,725
	$263,694	$238,424

8. LONG TERM DEBT

	Interest Rate	Annual Repayment Terms	2000	1999
Royal Bank of Canada secured by mortgage on welding shop	Prime + 1%	$18,000 principal & interest	$3,484	$22,200
Less: Current Portion			(3,484)	(16,935)
			$ -0-	$ 5,265

CARLTON TRAIL REGIONAL COLLEGE
Notes to the Financial Statements
for the year ended June 30, 2000

The interest and principal repayments for the next five years are:

	Interest	Principal
2001	43	--
2002	--	--
2003	--	--
2004	--	--
2005	--	--

9. RESTRICTIONS ON NET ASSETS

The Board of Directors of Carlton Trail Regional College have placed internal restrictions on $95,955 (1999 - $152,638) of unrestricted net assets to be used for future expenditures. These internally restricted amounts are not available for other purposes without approval of the Board of Directors. External restrictions consists of 0 (1999 - $573,884) for capital projects in subsequent periods received from Saskatchewan Post-Secondary Education and Skills Training.

10.BUDGET AMOUNTS

The budget submitted with the Business Plan was prepared by Regional College management with Board approval given on July 28,1999. Ministerial approval was received May 9, 2000.

11.RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

During the year the College paid $883,081 for a joint-use facility shared with Humboldt Collegiate Institute (HCI). Title is held by HCI and a 99 year Capital lease has been signed for $1.00. As noted under note 5, the College pays a monthly fee toward its share of operating costs. The cost of $883,081 is being amortized under leasehold improvements.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

	2000	1999
Sask Tel Expenses	$90,229	$ 70,211
Sask Power &Energy Expenses	22,809	23,693
SIAST	329,902	490,730
Sask. Property Management	41,975	51,533

CARLTON TRAIL REGIONAL COLLEGE
Notes to the Financial Statements
for the year ended June 30, 2000

During the year the College continued a contract with Saskatchewan Communications Network (SCN) to deliver various training and educational programs. The College received $99,000 during the year from SCN for these programs (1999, $99,000).

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

12. FINANCIAL INSTRUMENTS

(a) The carrying amount of cash and temporary investments, accounts receivable, accounts payable and accrued salaries and vacation payable approximates fair value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

(b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the college's receivables are from the provincial and federal government, therefore, credit risk is minimal.

13. PENSIONS

Employees of the college participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission. The college has no financial obligation to TSP. Eligible employees contribute to TSP for their current service. No matching contribution is made by the Board. The General Revenue Fund is responsible for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is a multi-employer defined benefit plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year 2000 amounted to $38,743 (1999 - $38,023).

14. SASKATCHEWAN CAP YOUTH PROJECT

During the year the College entered into an agreement with Industry Canada to pay wages to employees of the NetCorps Canada Community Access Program Youth Employment Project for the Province of Saskatchewan. The project employs youth in rural communities to ensure that Canadians in remote and rural areas have affordable access to the information highway.

An administration margin of approximately $18,300 was anticipated from the agreement. During the year, wages totalling $86,387 were paid out to 93 employees.

Neumann & Neumann
Chartered Accountants

Board of Directors
Cumberland Regional College
Nipawin, Saskatchewan

AUDITORS' REPORT

We have audited the statement of financial position of Cumberland Regional College as at June 30, 2000 and the statements of operations, changes in fund balances and cash flows for the year then ended. The College's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Chartered Accountants

Nipawin, Saskatchewan
September 14, 2000

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2000

Statement 1

	2000			
	Operating	Capital	Total	1999
ASSETS				
Current Assets				
Cash and temporary investments	$ 803,701	$ 545,187	$1,348,888	$1,195,490
Accounts Receivable (note 3)	213,047	--	213,047	184,269
Prepaid expenses	14,042	--	14,042	13,561
	1,030,790	545,187	1,575,977	1,393,320
Investments (note 4)	500,000	--	500,000	600,000
Capital Assets (note 5)	--	1,061,995	1,061,995	1,124,912
	$1,530,790	$1,607,182	$3,137,972	$3,118,232
LIABILITIES				
Current Liabilities				
Accounts payable (note 7)	$ 84,878	$ --	$ 84,878	$ 117,777
Salaries payable	31,600	--	31,600	--
Accrued vacation payable	75,492	--	75,492	73,656
Deferred revenue (note 8)	626,212	--	626,212	418,060
	818,182	--	818,182	609,493
FUND BALANCES				
Invested in capital assets	--	1,061,995	1,061,995	1,124,912
Internally restricted as reserves (note 9)	231,532	545,187	776,719	1,209,189
Unrestricted	481,076	--	481,076	174,638
	712,608	1,607,182	2,319,790	2,508,739
	$1,530,790	$1,607,182	$3,137,972	$3,118,232

APPROVED ON BEHALF OF THE BOARD

________________ Director

________________ Director

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2000

Statement 2

	Operating			Capital		Total	
	(Note 11) Budget	2000	1999	2000	1999	2000	1999
Revenues (Schedule 1)							
Saskatchewan Post-Secondary Education and Skills Training	$2,334,254	$2,414,367	$2,325,832	$ --	$ --	$2,414,367	$2,325,832
Federal Government	2,000	30,750	133,723	--	--	30,750	133,723
Other Revenue	500,412	741,565	797,929	--	--	741,565	797,929
Total revenues	2,836,666	3,186,682	3,257,484	--	--	3,186,682	3,257,484
Expenses (Schedule 2)							
Contractual and Professional Services	792,310	870,690	930,201	--	--	870,690	930,201
Rentals	170,639	158,835	158,060	--	--	158,835	158,060
Repairs and Maintenance	20,122	11,542	9,844	--	--	11,542	9,844
Amortization	--	--	--	146,266	151,518	146,266	151,518
Operating Expenses (Schedule 3)	440,771	464,598	418,143	--	--	464,598	418,143
Personal Services	1,727,517	1,723,700	1,559,410	--	--	1,723,700	1,559,410
Total expenses	3,151,359	3,229,365	3,075,658	146,266	151,518	3,375,631	3,227,176
Excess/(deficiency)of revenues over expenses	$ (314,693)	$ (42,683)	$ 181,826	$ (146,266)	$ (151,518)	$ (188,949)	$ 30,308

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2000

Statement 3

	Invested in capital assets	Internally restricted assets	Unre-stricted assets	2000	1999
Balance, beginning of the year	$1,124,912	$1,209,189	$ 174,638	$2,508,739	$2,478,431
Excess/(deficiency) of revenue over expenses	(146,266)	--	(42,683)	(188,949)	30,308
Investment in capital assets	83,349	(24,906)	(58,443)	--	--
Transfers between funds (note 9)	--	(407,564)	407,564	--	--
	$1,061,995	$ 776,719	$ 481,076	$2,319,790	$2,508,739

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000

Statement 4

	2000	1999
CASH PROVIDED BY (USED IN):		
Operating Activities		
Excess (deficiency) of revenue over expenses	$ (42,683)	$ 181,826
Net change in non-cash working capital (note 10)	179,430	76,158
	136,747	257,984
Investing Activities		
Purchase of capital assets	(83,349)	(79,482)
Decrease (increase) in investments	100,000	(245,000)
	16,651	(324,482)
Increase (decrease) in cash during year	153,398	(66,498)
Cash, beginning of year	1,195,490	1,261,988
Cash, end of year	$1,348,888	$1,195,490

See accompanying notes

CUMBERLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2000

Schedule 1

	Administration	Programming							
	General Revenue	Community & Individual Development	Basic Education	Vocational Technical	University Credit	Career Services	2000 Total	Budget	1999
Post-Secondary Education and Skills Training									
Admin Recovery	$ 67,291	$ 3,196	$ 21,306	$ 26,951	$ 7,541	$ 1,865	$ 128,150	$ 133,003	$ 125,179
Base Grant	631,015	--	--	--	--	--	631,015	733,450	659,049
Outreach Fund	--	--	--	--	--	--	--	143,289	137,636
Program Payments	--	6,426	400,933	826,314	143,289	80,881	1,457,843	1,274,512	1,211,056
RSB Payments	19,069	1,500	39,499	--	--	87,291	147,359	--	41,522
Other	50,000	--	--	--	--	--	50,000	50,000	151,390
	767,375	11,122	461,738	853,265	150,830	170,037	2,414,367	2,334,254	2,325,832
Federal Government									
Admin Recovery	--	--	--	--	--	--	--	--	14,075
Seat Purchases	--	--	--	2,853	--	--	2,853	--	23,123
Projects	--	--	14,022	--	--	--	14,022	2,000	89,225
Other	13,875	--	--	--	--	--	13,875	--	7,300
	13,875	--	14,022	2,853	--	--	30,750	2,000	133,723
Other									
Admin Recovery	--	--	3,170	--	9,250	--	12,420	9,826	30,398
Contracts	--	87,226	37,037	4,748	83,250	--	212,261	105,888	329,807
Interest	117,730	--	--	--	--	--	117,730	70,000	98,343
Rents	5,238	--	--	--	--	--	5,238	--	7,296
Resale Items	1,298	20,388	--	30,871	46,857	98	99,512	93,700	87,647
Tuitions	--	100,703	--	160,214	--	--	260,917	217,498	201,762
Other	12,049	--	5,870	2,200	4,586	8,782	33,487	3,500	42,676
	136,315	208,317	46,077	198,033	143,943	8,880	741,565	500,412	797,929
Total Revenue	917,565	219,439	521,837	1,054,151	294,773	178,917	3,186,682	2,836,666	3,257,484
Total Expense (Schedule 2)	994,932	179,998	439,385	914,859	242,906	457,285	3,229,365	3,151,359	3,075,658
Excess/(deficiency) of revenue over expenses	$(77,367)	$ 39,441	$ 82,452	$ 139,292	$ 51,867	$(278,368)	$ (42,683)	$ (314,693)	$ 181,826

CUMBERLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2000

Schedule 2

	General Administration			Programming							
	Board	Administrative	Organizational	Community & Individual Development	Adult Basic Education	Vocational Technical	University Credit	Career Services	2000 Total	Budget	1999
Contractual and Professional Services	$ --	$ 6,436	$ 12,524	$100,525	$ 20,029	$653,969	$ 54,336	$ 22,871	$ 870,690	$ 792,310	$ 930,201
Rentals	142	9,491	43,913	3,398	5,650	39,074	2,226	54,941	158,835	170,639	158,060
Repairs and Maintenance	--	--	11,338	--	--	189	15	--	11,542	20,122	9,844
Operating (Schedule 3)	22,005	32,762	136,078	70,653	31,360	56,518	65,723	49,499	464,598	440,771	418,143
Personal Services	16,019	240,747	463,477	5,422	382,346	165,109	120,606	329,974	1,723,700	1,727,517	1,559,410
	$ 38,166	$289,436	$667,330	$179,998	$439,385	$914,859	$242,906	$457,285	$3,229,365	$3,151,359	$3,075,658

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2000

Schedule

	2000	1999
Advertising	$ 58,644	$ 44,696
Association Fees and Dues	8,003	7,865
Bank Charges and Interest	722	426
Computer Software	12,532	16,757
Conference and Training Fees	6,659	15,818
Insurance	7,242	7,789
Materials and Supplies	76,294	65,789
Postal, Freight and Courier	9,303	9,278
Printing and Duplicating	3,224	4,515
Resale Items	103,910	95,677
Subscriptions	1,708	2,867
Telephone and Fax	61,693	60,873
Travel	79,965	66,440
Utilities	7,140	6,670
Other	27,559	12,683
	$464,598	$418,143

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF INTERNALLY RESTRICTED FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2000

Schedule 4

	Balance, beginning of the year	Appropriations from unrestricted net assets	Transfers to Other Funds	Balance, end of the year
Operating Fund				
University	$ 99,027	$ --	$ (99,027)	$ --
SCN	19,980	--	(19,980)	--
Student Services	25,514	--	(21,514)	4,000
Education Leave	22,573	--	(22,573)	--
Professional Development	19,048	11,896	(11,752)	19,192
Literacy	6,500	--	(6,500)	--
Retroactive Salary	20,000	--	(20,000)	--
Career Services	22,000	--	(22,000)	--
25th Anniversary Marketing	15,400	--	(12,600)	2,800
One Client Service Model	133,750	--	(83,750)	50,000
Strategic Plan Implementation	20,000	--	(1,650)	18,350
Class Plan Implementation	25,500	27,448	--	52,948
Basic Education Special Needs Tutors	27,000	28,158	(27,158)	28,000
Learning Centre	75,000	--	(39,942)	35,058
Research and Development	30,000	--	(30,000)	--
Basic Education - Tisdale	--	2,684	--	2,684
Learner Services - Tisdale	--	8,500	--	8,500
Public Relations	--	10,000	--	10,000
	561,292	88,686	(418,446)	231,532
Capital Fund				
Tech Lab - Tisdale	15,498	--	--	15,498
Capital	632,399	--	(102,710)	529,689
	647,897	--	(102,710)	545,187
	$1,209,189	$ 88,686	$(521,156)	$ 776,719

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

1. PURPOSE AND AUTHORITY

The Cumberland Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act.*

The Board of the Cumberland Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of *The Regional Colleges Act* and its regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating Fund

The operating fund consists of those revenues and expenses relating to the general operations of the College.

(ii) Capital Fund

The capital fund reflects the equity of the College in capital assets after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense.

(b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(b) Revenue recognition cont'd

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Buildings	5%
Leasehold improvements	5%
Furniture and equipment	10% to 33%
Vehicles	20%

(d) Investments

Investments are recorded at the lower of cost and market value.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$133,920	$123,661
SIAST	1,675	4,257
Federal government	36,278	5,578
Other	41,174	50,773
	$213,047	$184,269

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

4. INVESTMENTS

Investments consist of:

	Interest Rate	Maturity Date	2000	1999
Sask Savings Bond	8.00%	July, 1999	$ --	$100,000
Sask Savings Bond	6.75%	July, 2000	100,000	100,000
Sask Savings Bond	5.50%	July, 2001	150,000	150,000
Sask Savings Bond	5.00%	July, 2003	250,000	250,000
			$500,000	$600,000

5. CAPITAL ASSETS

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 973,612	$ 193,768	$ 779,844	$ 828,525
Leasehold improvements	222,383	51,519	170,864	181,954
Furnishings/ equipment	437,989	326,702	111,287	109,736
Vehicles	23,486	23,486	--	4,697
	$1,657,470	$ 595,475	$1,061,995	$1,124,912

6. LEASE OBLIGATIONS

The College is committed under term leases for office space at the following minimum amounts over the next five years (exclusive of proportionate increases and additional occupancy costs):

2001	$16,248

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

7. ACCOUNTS PAYABLE

Accounts payable are composed of the following:

	2000	1999
Province of Saskatchewan	$ 9,294	$ 26,543
Federal government	44,503	41,107
Other	31,081	50,127
	$ 84,878	$117,777

8. DEFERRED REVENUE

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$626,212	$411,843
Federal Government	--	3,635
Other	--	2,582
	$626,212	$418,060

9. INTERFUND TRANSFERS

In 2000, the Board internally restricted and transferred from the operating fund $88,686 (1999 - $326,650) for future operations and $58,443 (1999 - $593,822) for capital asset purchases. These internally restricted amounts are not available for unrestricted purposes without approval of the Board. The Board approved the transfer of $24,906 (1999 - $4,502) from internally restricted funds to the capital fund for capital asset purchases and $496,250 (1999 - $14,759) to be transferred to the operating fund.

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	2000	1999
Accounts receivable	$(28,778)	$ 50,024
Prepaid expenses	(481)	3,673
Accounts payable, salaries payable and accrued vacation payable	537	35,140
Deferred revenue	208,152	(12,679)
Net increase in cash	$179,430	$ 76,158

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

11. BUDGET AMOUNTS

The budget was prepared by regional college management with Board approval given on May 25, 1999.

12. RELATED PARTY TRANSACTIONS

Included in these financial statements are revenue and expense amounts resulting from routine transactions with related parties. These transactions are conducted at agreed rates with various Saskatchewan Crown-controlled departments, agencies and corporations with which the College is related by virtue of its economic interest with the Government of Saskatchewan.

Expenses for related party transactions during the year were as follows:

	2000	1999
SaskTel expenses	$ 54,390	$ 50,768
Sask Property Management Corp. expenses	40,107	39,703
	$ 94,497	$ 90,471

Account balances from these transactions are included in the balance sheet and are settled on normal trade terms. Other transactions with related parties are disclosed elsewhere in these financial statements.

13. FINANCIAL INSTRUMENTS

(a) The carrying amount of cash and temporary investments, accounts receivable, accounts payable, salaries payable, and vacation payable approximates fair value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

The fair value of investments is considered to approximate market value which is $500,000 (1999 - $600,000).

(b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000

14. PENSIONS

Employees of the college participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) or the Saskatchewan Teachers Retirement Plan (STRP) which are administered by the Teachers' Superannuation Commission. The college has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. No matching contribution is made by the Board. The General Revenue Fund is responsible for the required employer contributions of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined benefit plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $35,125 (1999 - $31,868).

15. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

STARK
&
MARSH
CHARTERED
ACCOUNTANTS

E.L. Blenner-Hassett CA
R.G. Budd CA CFP
K.A. Hagen CA CFP
A.D. Kiesman CA CFP
G.F. Knakoske CA CFP
R.J. Marsh CA
G.D. Rittinger FCA CFP
R.D. Siemens CA
G.D. Smith CA CFP
G.J. Trembath CA
B.W. Wiebe CA CFP

CYPRESS HILLS REGIONAL COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 2000

AUDITOR'S REPORT

To the Board of the Cypress Hills Regional College

We have audited the balance sheet of the Cypress Hills Regional College as at June 30, 2000 and the statements of operations and changes in fund balances and cash flows for the year then ended. The college is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the college as at June 30, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Stark & Marsh

Chartered Accountants

Swift Current, Saskatchewan
August 25, 2000

CYPRESS HILLS REGIONAL COLLEGE

BALANCE SHEET
As at June 30, 2000

Statement 1

ASSETS

	2000			1999
	Operating fund	Capital fund	Total	Total
Current				
Cash and temporary investments	$ 728,635	-	728,635	$ 659,274
Accounts receivable - Note 3	228,315	-	228,315	103,457
Inventories	8,636	-	8,636	12,989
Prepaid expenses	-	-	-	8,531
Other	150	-	150	150
	965,736	-	965,736	784,401
Capital - Note 4	-	915,803	915,803	938,669
	$ 965,736	915,803	1,881,539	$ 1,723,070

LIABILITIES AND FUND BALANCES

	Operating fund	Capital fund	Total	1999 Total
Current				
Accounts payable	$ 58,942	-	58,942	$ 43,649
Accrued salaries and vacation payable	77,440	-	77,440	62,737
Deferred revenues - Note 5	357,085	-	357,085	333,949
Tuition fee deposits	8,942	-	8,942	5,540
	502,409	-	502,409	445,875
Fund balances - Statement 3				
Invested in capital assets	-	915,803	915,803	938,669
Internally restricted as reserves	194,400	-	194,400	24,400
Unrestricted	268,927	-	268,927	314,126
	463,327	915,803	1,379,130	1,277,195
	$ 965,736	915,083	1,881,539	$ 1,723,070

Approved by the Board of Trustees

Director

Director

See accompanying notes to financial statements

CYPRESS HILLS REGIONAL COLLEGE

STATEMENT OF OPERATIONS
For the year ended June 30, 2000

Statement 2

	Operating			Capital		Total	
	Budget (Note 13)	2000	1999	2000	1999	2000	1999
Revenues - Schedule 1							
Saskatchewan Post-Secondary Education and Skills Training	$ 2,478,331	2,339,481	2,317,268	64,740	242,981	2,404,221	2,560,249
Federal government	44,792	89,721	141,544	-	-	89,721	141,544
Other revenues	616,338	829,574	697,902	19,134	19,500	848,708	717,402
	3,139,461	3,258,776	3,156,714	83,874	262,481	3,342,650	3,419,195
Expenses - Schedule 2							
Contractual professional fees	807,341	622,640	658,837	-	-	622,640	658,837
Rentals	76,839	74,827	82,616	-	-	74,827	82,616
Repairs and maintenance	21,000	47,488	54,355	-	-	47,488	54,355
Operating expenses - Schedule 3	410,251	504,192	428,072	-	-	504,192	428,072
Personal services	1,803,730	1,843,968	1,821,075	-	-	1,843,968	1,821,075
Amortization	-	-	-	147,600	139,894	147,600	139,894
	3,119,161	3,093,115	3,044,955	147,600	139,894	3,240,715	3,184,849
Excess (deficiency) of revenue over expenses	$ 20,300	165,661	111,759	(63,726)	122,587	101,935	234,346

See accompanying notes to financial statements

CYPRESS HILLS REGIONAL COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES
For the year ended June 30, 2000

Statement 3

	Invested in capital assets	Internally restricted assets	Unrestricted	2000 Total	1999 Total
Balance, beginning of year	$ 938,669	24,400	314,126	1,277,195	$ 1,042,849
Excess (deficiency) of revenue over expenses	(63,726)	-	165,661	101,935	234,346
Investment in capital assets - Note 11	40,860	-	(40,860)	-	-
Appropriation to reserves	-	170,000	(170,000)	-	-
Balance, end of year	$ 915,803	194,400	268,927	1,379,130	$ 1,277,195

See accompanying notes to financial statements

CYPRESS HILLS REGIONAL COLLEGE

STATEMENT OF CASH FLOWS
For the year ended June 30, 2000

Statement 4

	2000	1999
Cash from operating activities		
Excess of revenue over expenses	$ 101,935	$ 234,346
Charges to operations not affecting cash		
Amortization	147,600	139,894
Net change in non-cash working capital	(55,440)	59,919
	194,095	434,159
Investing activities		
Additions to capital assets	(124,734)	(404,636)
Increase in cash during year	69,361	29,523
Cash and investments, beginning of year	659,274	629,751
Cash and investments, end of year	$ 728,635	$ 659,274

See accompanying notes to financial statements

CYPRESS HILLS REGIONAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
June 30, 2000

1. Purpose and authority

The Cypress Hills Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act.*

The Board of the Cypress Hills Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of *The Regional Colleges Act* and its regulations.

2. Significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant policies:

(a) Fund accounting
The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating fund
The operating fund consists of those revenues and expenses relating to the general operations of the College.

(ii) Capital fund
The capital fund reflects the equity of the College in capital assets after taking into consideration any associated long-term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense.

(b) Revenue recognition
The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets
Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date on contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Land	0%
Buildings	5%
Furniture and equipment	10% to 33%

CYPRESS HILLS REGIONAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
June 30, 2000

2. Significant accounting policies (continued)

(d) Inventories
Inventories are recorded at the lower of cost and net realizable value.

(e) Investments
Investments are recorded at the lower of cost and market value.

3. Accounts receivable

The accounts receivable as at June 30 were comprised as follows:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$ 130,479	$ 32,071
Federal government	21,852	13,336
Other	75,984	58,050
	$ 228,315	$ 103,457

4. Capital assets

	2000			1999
	Original cost	Accumulated amortization	Net book value	Net book value
Land	$ 50,000	-	50,000	$ 50,000
Pavement	29,756	11,902	17,854	23,805
Buildings	1,044,029	325,382	718,647	760,240
Furniture and equipment	685,566	556,264	129,302	104,624
	$ 1,809,351	893,548	915,803	$ 938,669

5. Deferred revenue

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2000	1999
Federal government	$ 17,680	$ 6,340
Saskatchewan Post-Secondary Education and Skills Training	335,672	325,109
Other	3,733	2,500
	$ 357,085	$ 333,949

CYPRESS HILLS REGIONAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
June 30, 2000

6. Related party transactions

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

The College brokerages course programs from SIAST. The amount incurred during the year amounted to $346,891 (1999 - $413,244).

The College purchased telephone and utilities services from Saskatchewan Crown Corporations in the amount of $89,644 (1999 - $76,277).

The College offers courses through the University of Regina. The amount paid to the university was $99,307 (1999 - $89,408).
The College holds one Saskatchewan Savings Bonds:
- face value of $100,000, maturing July 15, 2005, interest rate 5.75%

The College paid $25,342 (1999 - $20,144) to Saskatchewan Property Management Corporation for vehicle leases and mail services.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

7. Pensions

Employees of the college participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission. The college has no financial obligation to TSP. Eligible employees contribute to TSP for their current service. No matching contribution is made by the Board. The General Revenue Fund is responsible for the financial obligations of the TSP.

All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined benefit plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $52,964 ($44,319 for 1999).

CYPRESS HILLS REGIONAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
June 30, 2000

8. Commitments

The College is obligated under the following lease agreements:

(i) Gravelbourg Learning Centre: A two-year agreement, entered into with the Gravelbourg School Division #109 effective from July 1, 1999 specifies a rental of $7,296 per year.

(ii) Shaunavon Learning Centre: A one-year agreement continuing thereafter on a year to year basis, entered into with the Shaunavon School Division #71 effective August 1, 1994 specifies a rental of $4,800 per year.

9. Line of credit

The College has obtained approval to establish a line of credit of $250,000 at Southwest Credit Union Ltd. with interest at a rate of prime less 1/4% secured by an assignment of government grants, program payments and other revenue. The College did not utilize this line of credit during 1999-2000.

10. Financial instruments

(a) The carrying amount of cash temporary investments, accounts receivable, accounts payable and accrued salaries and vacation payable approximates fair value due to the short-term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing or certainty of future cash flows.

(b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivable are from the provincial and federal government, therefore, credit risk is minimal.

11. Interfund transfers

In 1999 - 2000 the Board approved a transfer of $40,860 from the Operating Fund to the Capital Fund to be used for capital purchases.

CYPRESS HILLS REGIONAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
June 30, 2000

12. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identity a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Prior to December 31, 1999 the Cypress Hills Regional College undertook to do everything necessary to ensure the year 2000 issue would not negatively impact it. The process included a year 2000 compliance review of internal financial and student systems and a similar review of operating systems for building, program and information technology equipment. Although the change in date has occurred, it is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, have been fully resolved.

13. Budget amounts

The budget was prepared by regional college management with Board approval given on May 25, 1999. Ministerial approval was received May 9, 2000.

Cypress Hills Regional College
Statement of Operating Fund Revenues by Function
for the year ended June 30, 2000

Schedule 1

	Administration	Programming				Support Services				
	General Revenue	Community Individual Development	Adult Basic Education	University	Vocational Technical	Student Services	Career Services	2000 Total	2000 Budget	1999 Total
Revenues:										
Post-Secondary Education and Skills Training										
Administration	96,350	0	0	0	10,788	10,420	0	117,558	95,000	110,107
Base Grant	1,048,995	0	0	0	0	0	0	1,048,995	1,177,884	1,115,311
Program Payments	0	0	332,947	0	647,532	31,980	0	1,012,459	1,080,441	1,037,874
Contracts	20,000	0	4,685	55,524	0	0	50,000	130,209	0	0
Facility Renovations	0	0	0	0	0	0	0	0	0	0
Rent	30,000	0	0	0	0	0	0	30,000	30,000	15,000
Other	260	0	0	0	0	0	0	260	95,006	38,976
TOTAL	1,195,606	0	337,632	55,524	658,321	42,400	50,000	2,339,481	2,478,331	2,317,268
FEDERAL GOVERNMENT										
Administrative Recovery	2,793	0	0	0	0	0	0	2,793	0	0
Program Payments	0	0	70,723	0	0	0	0	70,723	42,000	134,651
Other	1,576	0	14,629	0	0	0	0	16,205	2,792	6,893
TOTAL	4,369	0	85,352	0	0	0	0	89,721	44,792	141,544
OTHER										
Administrative Recovery	0	0	0	0	0	0	0	0	0	0
Contracts	70,107	7,741	24,791	17,757	36,297	0	0	156,692	120,700	128,085
Interest and Dividends	44,284	0	0	0	0	0	0	44,284	15,000	37,731
Rents	3,639	0	0	0	0	0	0	3,639	5,000	3,435
Resale Items	1,460	440	0	0	150	0	0	2,050	0	5,195
Tuition	0	109,163	230	61,451	250,433	0	0	421,277	421,558	424,947
Other	90,305	2,599	14	0	47,965	3,479	57,270	201,634	54,080	98,509
TOTAL	209,795	119,943	25,035	79,208	334,844	3,479	57,270	829,574	616,338	697,902
Total Revenue	1,409,769	119,943	448,019	134,732	993,165	45,879	107,270	3,258,776	3,139,461	3,156,714
Total Expense	1,431,219	71,698	379,108	109,480	815,062	123,666	162,881	3,093,115	3,119,161	3,044,955
Excess/<Deficiency> of revenue over expenses	(21,450)	48,245	68,911	25,252	178,103	(77,787)	(55,611)	165,661	20,300	111,759

see accompanying notes to financial statements

Cypress Hills Regional College
Statement of Operating Fund Expenses by Function
for the year ended June 30, 2000

Schedule 2

	General Administration				Programming				Support Services				
	Board	Administration	General Revenue	Organization	Community Individual Development	Adult Basic Education	University	Vocational Technical	Student Services	Career Services	2000 Total	2000 Budget	1999 Total
Contractual and Professional Services	2,120	14,110	0	3,610	51,714	9,247	83,639	455,944	2,255	0	622,640	807,341	658,837
Rentals	0	29,163	0	12,548	1,653	70	0	31,328	64	0	74,827	76,839	82,616
Repairs & Maintenance	0	46,573	0	915	0	0	0	0	0	0	47,488	21,000	54,355
Operating (Schedule 3)	33,885	197,213	0	68,546	17,727	32,126	25,840	97,404	4,703	26,748	504,192	410,251	428,072
Personal Services	16,967	504,947	0	500,621	605	337,665	0	230,386	116,645	136,133	1,843,968	1,803,730	1,821,075
TOTAL EXPENSE	52,973	792,005	0	586,241	71,698	379,108	109,480	815,062	123,666	162,881	3,093,115	3,119,161	3,044,955

see accompanying notes to financial statements

Cypress Hills Regional College
Schedule of Operating Expenses
for the year ended June 30, 2000

Schedule 3

	2000 Total	2,000 Budget	1999 Total
OPERATING EXPENSES			
Advertising	71,633	44,797	49,005
Association Fees and Dues	7,041	7,110	6,173
Bad Debts	217	250	0
Bank Charges and Interest	213	60	166
Computer Software	39,108	11,925	14,002
Computer Supplies	64	0	4,691
Minor Equipment Purchases	23,729	8,000	10,006
Conference and Training Fees	15,964	29,100	20,762
Insurance	12,446	11,000	11,449
Licenses & Taxes	3,877	2,500	4,277
Materials and Supplies	110,346	99,793	86,752
Postal, Freight and Courier	12,194	6,400	11,661
Printing and Duplicating	7,504	19,350	18,416
Resale Items	0	0	0
Subscriptions	1,059	1,280	1,471
Telephone	43,136	49,816	47,211
Travel	89,358	64,470	82,411
Utilities	66,203	54,400	58,288
Other	100	0	1,332
Total:	504,192	410,251	428,072

see accompanying notes to financial statements

DOWNIE JOHNSON SVENKESON
Chartered Accountants

R. G. Downie, CA
R.W. Johnson, FCA
B. W. Svenkeson, CA

AUDITORS' REPORT

To the Board of Governors
North West Regional College

We have audited the statement of financial position of North West Regional College as at June 30, 2000 and the statements of operations, changes in fund balances and cash flows for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2000 and the results of its operations and the cash flows for the year then ended in accordance with generally accepted accounting principles.

Downie Johnson Svenkeson

Chartered Accountants.

North Battleford, Saskatchewan
September 8, 2000.

NORTH WEST REGIONAL COLLEGE
Statement of Financial Position
June 30, 2000

	2000				1999
	Operating Fund	Capital Fund	Scholarship Fund	Total	Total
Assets					
Current assets					
Cash	$ 199,680	$ 296,634	$ 16,840	$ 513,154	$ 700,482
Accounts receivable (Note 3)	545,524		77	545,601	688,169
Inventory	7,501			7,501	9,479
Prepaid expenses	7,330			7,330	5,143
	760,035	296,634	16,917	1,073,586	1,403,273
Capital assets (Note 4)		1,331,628		1,331,628	996,339
	$ 760,035	$ 1,628,262	$ 16,917	$ 2,405,214	$ 2,399,612
Liabilities and fund balances					
Current liabilities					
Accounts payable (Note 5)	$ 123,975			$ 123,975	$ 383,709
Accrued liabilities	63,731			63,731	75,867
Accrued holiday pay (Note 6)	107,087			107,087	105,367
Deferred income (Note 7)	211,053			211,053	285,691
	505,846			505,846	850,634
Fund balances					
Invested in capital assets		$ 1,331,628		1,331,628	996,339
Internally restricted reserves (Schedule 4)	254,189	296,634	$ 16,917	567,740	552,639
	254,189	1,628,262	16,917	1,899,368	1,548,978
	$ 760,035	$ 1,628,262	$ 16,917	$ 2,405,214	$ 2,399,612

Approved by the Board of Governors:

Sherman Krakenbil Chairperson

Adele Mahshakin Vice-Chairperson

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE

Statement of Operations

for the year ended June 30, 2000

	Operations			Capital		Scholarship		Total	
	Budget (Note 11)	2000	1999	2000	1999	2000	1999	2000	1999
Revenue (Schedule 1)									
Post-Secondary Education and Skills Training	$ 3,336,692	$ 3,581,716	$ 3,269,711	$ 253,642	$ 201,676			$ 3,835,358	$ 3,471,387
Federal Government		18,277	494,235					18,277	494,235
Other	1,174,663	1,106,183	1,007,261			$ 2,287	$ 148	1,108,470	1,007,409
	4,511,355	4,706,176	4,771,207	253,642	201,676	2,287	148	4,962,105	4,973,031
General operating expenditures (Schedule 2)									
Contractual and professional services	856,516	820,055	819,188					820,055	819,188
Rentals	213,938	232,085	218,296					232,085	218,296
Repairs and maintenance	7,065	16,780	17,868					16,780	17,868
Operating (Schedule 3)	825,728	669,168	719,356					669,168	719,356
Personal services	2,736,289	2,725,902	2,919,070					2,725,902	2,919,070
Scholarship						800		800	
Amortization				146,925	78,365			146,925	78,365
	4,639,536	4,463,990	4,693,778	146,925	78,365	800		4,611,715	4,772,143
Excess (deficiency) of revenue over expenditures	$ (128,181)	$ 242,186	$ 77,429	$ 106,717	$ 123,311	$ 1,487	$ 148	$ 350,390	$ 200,888

NORTH WEST REGIONAL COLLEGE
Statement of Changes in Fund Balances
for the year ended June 30, 2000

	2000					1999
	Operating Fund					
	Internally Restricted Reserves	Unrestricted	Capital Fund (Note 8)	Scholarship Fund	Total	Total
Fund balance at beginning of year	$ 134,722		$ 1,398,826	$ 15,430	$ 1,548,978	$ 1,349,159
Excess of revenue over expenditures		$ 242,186	106,717	1,487	350,390	200,888
Write down of capital assets						(1,069)
Inter fund transfers	119,467	(242,186)	122,719			
Fund balance at end of year	$ 254,189	$ NIL	$ 1,628,262	$ 16,917	$ 1,899,368	$ 1,548,978

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Statement of Cash Flows
for the year ended June 30, 2000

	2000	1999
Cash from operating activities		
Excess of revenue over expenditures	$ 350,390	$ 200,888
Add (deduct) items not involving current cash flow:		
Amortization	146,925	78,365
Write down of capital assets		(1,069)
	497,315	278,184
Net change in non-cash working capital balances related to operations	(202,429)	322,173
	294,886	600,357
Investment activities		
Purchase of capital assets	(482,214)	(972,306)
Net cash used in year	(187,328)	(371,949)
Cash and cash equivalents at beginning of year	700,482	1,072,431
Cash and cash equivalents at end of year	$ 513,154	$ 700,482

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with financial institutions. Cash and cash equivalents included in the cash flow statement comprised the following balance sheet amounts:

Cash	$ 513,154	$ 700,482

Downie Johnson Svenkeson

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2000

1. Purpose and authority

The North West Regional College offers educational services and programs under the authority of Section 14 of the *The Regional Colleges Act*. North West Regional College was established in 1975 as Mistikwa Community College. On January 1, 1988 *The Regional Colleges Act* was proclaimed, and the College was renamed North West Regional College to reflect its new mandate and extended boundaries. The mission of North West Regional College is to provide adult learning opportunities and to promote life-long learning as a means of enhansing the cultural, economic and social life of the individuals and communities it serves.

The Board of the North West Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of the *The Regional Colleges Act* and its regulations.

2. Significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principals, and include the following significant accounting policies contained in the Regional Colleges' Accounting and Reporting Manual:

a) Fund accounting

A fund is a separate set of accounts provided for each accounting entity established within the accounting system to segregate the transactions of the particular activity. The funds are:

i) Operating fund

This fund contains the current revenue, expenditures, and liabilities pertaining to the general activities of the College.

ii) Capital fund

This fund contains the capital assets of the College and equity in the capital assets, net of the annual amortization expense. Included in the capital fund are the appropriations for future capital expenditures.

iii) Scholarship fund

This fund was established to include donations received by the College for purposes of awarding scholarships to students of the College.

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2000

2. Significant accounting policies (Continued)

b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course of instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Buildings	2.5% to 4%
Furniture and equipment	10% to 33%

d) Inventories

Inventories are valued at lower of cost or net realizable value.

3. Accounts receivable

Accounts receivable are composed of the following:

	2000	1999
Federal government	$ 7,446	$ 47,432
Post-Secondary Education and Skills Training	352,047	575,546
SIAST	53,191	28,203
Other	132,917	36,988
	$ 545,601	$ 688,169

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2000

4. Capital assets

Capital assets consist of:

	2000 Cost	2000 Accumulated Amortization	2000 Net Book Value	1999 Net Book Value
Buildings	$ 1,281,227	$ 64,061	$ 1,217,166	$ 914,036
Furniture and equipment	850,164	735,702	114,462	82,303
	$ 2,131,391	$ 799,763	$ 1,331,628	$ 996,339

In 1998, North West Regional College and North Battleford School Division No. 118 entered into a Capital Cost Sharing Agreement to participate in a joint capital project at the North Battleford Comprehensive High School. As part of phase 1 renovations undertaken in 1999, the college space enjoyed an addition and major renovations to accommodate the college's Battlefords Campus and main administrative offices.

An independent asset appraisal undertaken by Battlefords School Division and conducted in April, 2000 determined the depreciated value, based on the college's 15.5% share of the facility, is $4,209,452.

Title to the lands and buildings are held in the name of the School Division, with the College's 15.5% proportionate share held in trust.

5. Accounts payable

	2000	1999
Trade	$ 70,421	$ 331,286
Wages	53,554	52,423
	$ 123,975	$ 383,709

6. Accrued holiday pay

	2000	1999
Accrued holiday pay at beginning of year	$ 105,367	$ 68,241
Net adjustment, current year	1,720	37,126
Accrued holiday pay at end of year	$ 107,087	$ 105,367

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2000

7. Deferred income

Deferred income consists of:

	2000	1999
Post-Secondary Education and Skills Training	$ 158,854	$ 254,561
Federal government	7,277	26,709
Other	44,922	4,421
	$ 211,053	$ 285,691

8. Internally restricted - capital fund

The internally restricted fund balance in the capital fund consists of the following:

	2000	1999
Balance at beginning of year	$ 402,487	$ 757,329
Add: Transfer from operating fund	123,149	112,858
Transfer from internally restricted fund balance to investment in capital assets	(229,002)	(467,700)
Balance at end of year	$ 296,634	$ 402,487

9. Related party transactions

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

In addition, the College pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Expenses for related party transactions during the year were as follows:

	2000	1999
Sask Power	$ 14,761	$ 22,454
Sask Tel	52,628	52,739
Saskatchewan Property Management Corp.	37,137	44,132

The College provided courses in conjunction with the Saskatchewan Institute of Applied Science and Technology (SIAST). During the year the College expended $441,840 (1999, $419,125) for courses provided by SIAST. As at year end, there was no payable to SIAST (1999, $NIL).

NORTH WEST REGIONAL COLLEGE

Notes to Financial Statements

June 30, 2000

9. **Related party transactions (Continued)**

During the year, the College provided courses in conjunction with the Universities of Saskatchewan and Regina. Transactions during the year were as follows:

	2000	1999
University of Saskatchewan		
Revenue	$ 63,602	$ 67,620
Expenses	114,085	86,807
University of Regina		
Revenue	$ 11,890	$ 12,687
Expenses	21,830	16,077

During the year the College entered into a contract with the Saskatchewan Communications Network (SCN) to deliver various training and educational programs. The College received $ 99,000 during the year from SCN for these programs (1999, $99,000).

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

10. **Pensions**

Employees of the College participate in one of the three pension plans. Teacher's and other employees holding a teaching certificate participate in a defined benefit plan; either the Teacher's Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission or the Saskatchewan Teachers' Retirement Plan (STRP) which is administered by the Saskatchewan Teachers' Federation. The College has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. The General Revenue Fund is responsible for the required employer contribution of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $90,208. (1999, $96,195).

11. **Budget**

The budgeted figures reported in the Statement of Operations are obtained from the annual budget approved by the board and included in the annual budget review document submitted to and approved by the Department of Post-Secondary Education and Skills Training. The budget was approved by the Regional College Board on May 10, 1999 and by the Minister of Saskatchewan Post-Secondary Education and Skills Training on May 9, 2000.

NORTH WEST REGIONAL COLLEGE

Notes to Financial Statements

June 30, 2000

12. Financial instruments

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certaintly of future cash flows.

The majority of the College's receivables are from Post-Secondary Education and Skills Training. Therefore the credit risk is minimal.

The carrying amount of accounts receivable, accounts payable, accrued liabilities and accrued holiday pay approximate fair market value due to their immediate or short-term nature.

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Revenue by Function
for the year ended June 30, 2000

Schedule 1

	2000								1999
	General Administration	Programing				Support Services			
	General Revenue	Community Individual Development	Adult Basic Education	Vocational Technical	University	Career Services	Student Services	Total	Total
Post-Secondary Education and Skills Training									
Administrative recovery	$ 17,650	$ 9,479						$ 27,129	$ 70,619
Flat grant	966,599							966,599	824,029
Program payments	321,906	166,914	$ 914,551	$ 551,863	$ 132,657	$ 92,880		2,180,771	1,835,909
Other	132,058		46,141	197,594		31,424		407,217	539,154
	1,438,213	176,393	960,692	749,457	132,657	124,304		3,581,716	3,269,711
Federal government									
Program payments	7,277		11,000					18,277	494,235
Other									
Contracts	151,881	18,928	210,763	9,553	35,118			426,243	370,920
Interest and dividends	63,843							63,843	81,978
Rents	302	2,939						3,241	764
Resale items		13,986	1,594	3,310			79,955	98,845	86,463
Tuition fees		106,721	3,960	237,557	73,607	300		422,145	400,186
Other	74,254	5,303		9,373	2,936			91,866	66,950
	290,280	147,877	216,317	259,793	111,661	300	79,955	1,106,183	1,007,261
Total revenue	1,735,770	324,270	1,188,009	1,009,250	244,318	124,604	79,955	4,706,176	4,771,207
Total expenses (Schedule 2)	1,711,311	326,514	1,040,479	836,247	187,009	283,168	79,262	4,463,990	4,693,778
Excess (deficiency) of revenue over expenditures	$ 24,459	$ (2,244)	$ 147,530	$ 173,003	$ 57,309	$ (158,564)	$ 693	$ 242,186	$ 77,429

See Accompanying Notes

Downie Johnson Svenkeson

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Expenditures by Function
for the year ended June 30, 2000

Schedule 2

	2000										1999
	General Administration			Programing				Support Services			
	Board	Administrative	Organizational	Commuity Individual Development	Adult Basic Education	Vocational Technical	University	Career Services	Student Services	Total	Total
Contractual and professional		$ 60,224	$ 31,946	$ 181,916	$ 32,348	$ 386,652	$ 95,373	$ 31,596		$ 820,055	$ 819,188
Rentals		3,436	11,544	12,632	81,667	81,447	21,772	19,587		232,085	218,296
Repairs and maintenance		2,878	3,595	1,160	265	68	4,418	4,354	$ 42	16,780	17,868
Operating expenses (Schedule 3)	$ 46,504	94,444	121,014	59,579	81,493	90,148	41,054	55,712	79,220	669,168	719,356
Personal services	20,795	580,621	734,310	71,227	844,706	277,932	24,392	171,919		2,725,902	2,919,070
	$ 67,299	$ 741,603	$ 902,409	$ 326,514	$ 1,040,479	$ 836,247	$ 187,009	$ 283,168	$ 79,262	$ 4,463,990	$ 4,693,778

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Operating Expenses
for the year ended June 30, 2000

Schedule 3

	2000	1999
Advertising	$ 46,579	$ 51,277
Association fees and dues	9,916	9,372
Bad debts	1,097	593
Bank charges and interest	1,831	1,294
Computer software	10,799	16,999
Equipment	56,534	36,426
Goods and services tax	51,770	46,534
In-service training	41,160	50,190
Insurance	9,801	7,941
Licenses and taxes	(1,087)	10,380
Materials and supplies	63,686	76,645
Postage, freight and courier	16,454	19,494
Printing and duplicating	35,918	47,948
Resale items	93,351	85,839
Subscriptions	2,158	1,698
Telephone	50,265	58,113
Training allowances		(2,144)
Travel	123,775	121,902
Utilities	16,678	24,643
Other	38,483	54,212
	$ 669,168	$ 719,356

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE

Schedule of Reserve Transactions

June 30, 2000

Schedule 4

	Balance Beginning of Year	Appropriation to Reserve	Appropriation from Reserve	Balance End of Year
Internally Restricted				
OPERATING FUND - Internally Restricted				
Reserve for administrative computer system	$ 59,266		$ (18,292)	$ 40,974
Reserve for class plan	12,850	$ 33,150		46,000
Reserve for TEL		25,000		25,000
Reserve for joint-use relocation	20,000		(20,000)	-
Reserve for programs		117,609		117,609
Reserve for enrollment management	14,400			14,400
Reserve for severance	6,150			6,150
Reserve for contingencies	22,056		(18,000)	4,056
Total operating fund	$ 134,722	$ 175,759	$ (56,292)	$ 254,189
CAPITAL FUND				
Reserve for Meadow Lake	$ 61,687			$ 61,687
Reserve for Y2K fixes	4,000		$ (4,000)	-
Reserve for additional computer lab	40,000			40,000
Upgrade computer equipment	88,060	$ 61,641	(73,112)	76,589
Reserve for F/E Replacement - general	56,850	11,508		68,358
Reserve for F/E Replacement - telephone				-
Reserve for F/E Replacement - joint -use	50,000		(50,000)	-
Reserve for F/E Replacement - F and E				
Reserve for F/E Replacement - building				
Reserve for N. B. campus project	101,890	50,000	(101,890)	50,000
Total capital fund	$ 402,487	$ 123,149	$ (229,002)	$ 296,634

See Accompanying Notes

MNP
MEYERS NORRIS PENNY

AUDITORS' REPORT

To: The Directors of Northlands College

We have audited the statement of financial position of Northlands College as at June 30, 2000 and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Meyers Norris Penny
Chartered Accountants
Prince Albert, Saskatchewan
August 16, 2000

STATEMENT 1.

NORTHLANDS COLLEGE
STATEMENT OF FINANCIAL POSITION
June 30, 2000

	2000			1999
	Operating fund	Capital fund	Total	Total
	ASSETS			
Current				
Cash	$ 2,930,661	$ —	**$ 2,930,661**	$ 2,703,765
Accounts receivable (note 3)	660,147	—	**660,147**	453,721
Prepaid expense	31,098	—	**31,098**	30,964
	3,621,906	—	**3,621,906**	3,188,450
Capital assets (note 4)	—	2,354,115	**2,354,115**	2,617,927
	$ 3,621,906	$ 2,354,115	**$ 5,976,021**	$ 5,806,377
	LIABILITIES			
Current				
Accounts payable (note 5)	$ 242,560	$ —	**$ 242,560**	$ 238,000
Accrued salaries and vacation payable	482,240	—	**482,240**	439,444
Deferred revenue (note 6)	1,316,642	—	**1,316,642**	1,477,560
	2,041,442	—	**2,041,442**	2,155,004
	FUND BALANCES			
Invested in capital assets	—	2,354,115	**2,354,115**	2,617,927
Internally restricted as reserves (note 7)	762,898	—	**762,898**	404,044
Unrestricted	817,566	—	**817,566**	629,402
	1,580,464	2,354,115	**3,934,579**	3,651,373
	$ 3,621,906	$ 2,354,115	**$ 5,976,021**	$ 5,806,377

APPROVED BY THE BOARD:

__________________ DIRECTOR

__________________ DIRECTOR

See accompanying notes.

STATEMENT 2.

NORTHLANDS COLLEGE

STATEMENT OF OPERATIONS

Year ended June 30, 2000

	Operating Fund			Capital Fund		Total	
	(Note 9) Budget	**2000**	1999	**2000**	1999	**2000**	1999
Revenues (schedule 1)							
Saskatchewan Post Secondary Education and Skills Training	$ 6,894,767	**$ 7,457,853**	$ 7,161,073	**$ —**	$ —	**$ 7,457,853**	$ 7,161,073
Federal Government	709,832	**685,851**	875,794	**—**	—	**685,851**	875,794
Other revenue	1,194,324	**2,221,754**	2,022,033	**8,188**	24,896	**2,229,942**	2,046,929
Total revenues	8,798,923	**10,365,458**	10,058,900	**8,188**	24,896	**10,373,646**	10,083,796
Expenses (schedule 2)							
Contractual and professional services	1,468,905	**2,528,165**	2,599,720	**—**	—	**2,528,165**	2,599,720
Rentals	630,585	**701,708**	571,524	**—**	—	**701,708**	571,524
Repairs and maintenance	228,744	**191,799**	183,197	**—**	—	**191,799**	183,197
Amortization	—	**—**	—	**301,290**	319,660	**301,290**	319,660
Operating expense (schedule 3)	1,330,144	**1,628,327**	1,502,025	**—**	—	**1,628,327**	1,502,025
Personal services	5,337,962	**4,739,151**	4,647,642	**—**	—	**4,739,151**	4,647,642
Total expenses	8,996,340	**9,789,150**	9,504,108	**301,290**	319,660	**10,090,440**	9,823,768
Excess (deficiency) of revenues over expenses	$ (197,417)	**$ 576,308**	$ 554,792	**$ (293,102)**	$ (294,764)	**$ 283,206**	$ 260,028

See accompanying notes.

STATEMENT 3.

NORTHLANDS COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES

Year ended June 30, 2000

	Invested in capital assets	Internally restricted as reserves	Unrestricted	2000	1999
Fund balances, beginning of year	$ 2,617,927	$ 404,044	$ 629,402	**$ 3,651,373**	$ 3,391,345
Excess (deficiency) of revenues over expenses	(293,102)	—	576,308	**283,206**	260,028
Investment in capital assets	29,290	—	(29,290)	—	—
Appropriated to/(from) reserves	—	358,854	(358,854)	—	—
Fund balance, end of year	$ 2,354,115	$ 762,898	$ 817,566	**$ 3,934,579**	$ 3,651,373

See accompanying notes.

STATEMENT 4.

NORTHLANDS COLLEGE
STATEMENT OF CASH FLOWS
Year ended June 30, 2000

	Operating fund		Capital fund		Total	
	2000	1999	2000	1999	2000	1999
Cash flows from operating activities						
Excess (deficiency) of revenues over expenses	$ 576,308	$ 554,792	$ (293,102)	$ (294,764)	$ 283,206	$ 260,028
Changes in non-cash working capital						
Accounts receivable	(206,426)	37,509	—	—	(206,426)	37,509
Prepaid expense	(134)	927	—	—	(134)	927
Payables	47,356	148,172	—	—	47,356	148,172
Deferred revenue	(160,918)	180,583	—	—	(160,918)	180,583
	256,186	921,983	(293,102)	(294,764)	(36,916)	627,219
Cash flows from investing activities						
Purchase of capital assets	—	—	(45,445)	(181,811)	(45,445)	(181,811)
Proceeds on disposal of capital assets	—	—	16,155	55,834	16,155	55,834
	—	—	(29,290)	(125,977)	(29,290)	(125,977)
Cash flows from financing activities						
Non-cash charges against revenue						
Amortization of capital assets	—	—	301,290	319,660	301,290	319,660
Gain on disposal of capital assets	—	—	(8,188)	(24,896)	(8,188)	(24,896)
	—	—	293,102	294,764	293,102	294,764
Net increase (decrease) during year	256,186	921,983	(29,290)	(125,977)	226,896	796,006
Interfund transfers	(29,290)	(125,977)	29,290	125,977	—	—
Cash, beginning of year	2,703,765	1,907,759	—	—	2,703,765	1,907,759
Cash, end of year	$ 2,930,661	$ 2,703,765	$ —	$ —	$ 2,930,661	$ 2,703,765

See accompanying notes.

NORTHLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2000

1. Purpose and authority

Northlands College offers educational services and programs under the authority of Section 14 of The Regional Colleges Act.

The Board of Northlands College is responsible for administering and managing the educational affairs of the College in accordance with the intent of The Regional Colleges Act and its regulations.

2. Significant accounting policies

The financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant policies:

a) Fund accounting

The accounts of Northlands College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funding groups:

i) Operating fund

The operating fund consists of those revenues and expenses relating to the general operations of the College.

ii) Capital fund

The capital fund reflects the equity of the College in capital assets after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense.

b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

NORTHLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2000

2. Significant accounting policies (continued)

c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Buildings and trailers	5% to 10%
Leasehold improvements	6.67%
Equipment, furniture and fixtures	10% to 33%

3. Accounts receivable

Accounts receivable are composed of the following:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$ 86,771	$ 89,948
Government of Saskatchewan - Other	21,123	26,558
Federal Government	31,299	29,848
Other	520,954	307,367
	$ 660,147	$ 453,721

4. Capital assets

	2000			1999
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 11,503	$ —	$ 11,503	$ 11,503
Buildings and trailers	3,558,166	1,400,324	2,157,842	2,339,099
Leasehold improvements	124,972	41,678	83,294	91,646
Equipment, furniture and fixtures	770,297	668,821	101,476	175,679
	$ 4,464,938	$ 2,110,823	$ 2,354,115	$ 2,617,927

NORTHLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2000

5. Accounts payable

Accounts payable are composed of the following:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$ —	$ 4,892
Government of Saskatchewan - other	21,844	41,124
Federal government	4,254	17,931
Other	216,462	174,053
	$ 242,560	$ 238,000

6. Deferred revenue

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$ 1,041,932	$ 1,331,914
Federal Government	90,658	90,733
Other	184,052	54,913
	$ 1,316,642	$ 1,477,560

7. Restrictions on net assets

The Board of Directors of Northlands College has placed internal restrictions on $762,898. (1999 - $404,044) of unrestricted net assets to be used for future expenditures. These internally restricted amounts are not available for other purposes without approval of the Board of Directors. A separate schedule details the internal restrictions and the individual amounts under each restriction.

NORTHLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2000

8. Commitments

The College is currently leasing certain land and buildings under leases which expire at various dates to May 1, 2024. Annual rentals under the leases for each of the next five years are as follows:

2001 - $240,825
2002 - $230,490
2003 - $ 37,370
2004 - $ 150
2005 - $ 150

In addition, the College is currently leasing certain land and buildings under leases which are on a month to month basis at $5,245. per month.

9. Budget amounts

The budget was prepared by College management with Board approval given on June 17, 1999. Ministerial approval was received May 9, 2000.

10. Related party transactions

Included in these financial statements are revenue and expense amounts resulting from routine transactions with related parties. These transactions are conducted at agreed rates with various Saskatchewan Crown-controlled departments, agencies and corporations with which the College is related by virtue of its economic interest with the Government of Saskatchewan.

Expenses for related party transactions during the year were as follows:

	2000	1999
Sask Tel	$ 126,301	$ 122,498
Sask Power	63,453	66,732
Saskatchewan Property Management Corporation	437,190	349,164
	$ 626,944	$ 538,394

Account balances from these transactions are included in the balance sheet and are settled on normal trade terms. Other transactions with related parties are disclosed elsewhere in these financial statements.

The College receives long distance telephone service between major centers from Sask Tel, a related party, at reduced rates available to government agencies.

The College brokers course programs from Saskatchewan Institute of Applied Science and Technology (SIAST) based on negotiated rates. The amount expended during the year amounted to $805,640. As at year end, $16. (1999 - $1,020.) was receivable from and $16,579. (1999 - nil) was payable to SIAST.

NORTHLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2000

11. Financial Instruments

a) The carrying amount of cash, accounts receivable, accounts payable and accrued salaries and vacation payable approximates fair value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

12. Pensions

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, either the Teachers' Superannnuation Plan (TSP) which is administered by the Teachers' Superannuation Commission or the Saskatchewan Teachers' Retirement Plan (STRP) which is administered by the Saskatchewan Teachers' Federation. The College has no financial obligation to TSP or STRP. Eligible employees contribute to TSP or STRP for their current service. No matching contribution is made by the Board. The General Revenue Fund is responsible for the financial obligations of the TSP and the STRP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $127,854. (1999 - $124,902.).

13. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the College, including those related to the efforts of customers, suppliers, or other third parties, have been fully resolved.

NORTHLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2000

14. Measurement uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

15. Comparative Information

Certain 1999 balances have been reclassified to conform with the current year's presentation.

SCHEDULE 1.

NORTHLANDS COLLEGE

SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION

Year ended June 30, 2000

	Administration	Programming					Support Services				
	General Revenue	Community and Individual Development	Basic Education	Vocational Technical	University Credit	Other	Career Services	Student Services	2000 Total	(Note 9) 2000 Budget	1999 Total
Saskatchewan Post-Secondary Education and Skills Training											
Administration recovery	$ 605,123	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 605,123	$ 539,013	$ 577,869
Base grant	2,358,148	—	—	—	—	—	—	—	2,358,148	2,356,139	1,469,987
Program payments	—	17,908	1,508,897	2,049,530	185,852	—	83,521	—	3,845,708	3,518,865	4,545,962
Other	114,566	—	—	—	—	253,884	164,703	115,721	648,874	480,750	567,255
	3,077,837	17,908	1,508,897	2,049,530	185,852	253,884	248,224	115,721	7,457,853	6,894,767	7,161,073
Federal Government											
Administration recovery	79,022	—	—	—	—	—	—	—	79,022	67,448	94,021
Seat purchases	—	1,643	178,051	321,975	—	—	—	—	501,669	—	440,476
Projects	—	—	—	3,616	—	—	—	—	3,616	61,600	92,895
Other	—	—	82,078	19,466	—	—	—	—	101,544	580,784	248,402
	79,022	1,643	260,129	345,057	—	—	—	—	685,851	709,832	875,794
Other											
Administrative recovery	68,797	—	—	—	—	13,093	—	—	81,890	22,000	448,594
Contracts	—	22,362	359,924	181,597	69,465	—	—	89,674	723,022	212,400	517,585
Interest and dividends	171,012	—	—	—	—	—	—	—	171,012	100,000	145,745
Rent	103,516	—	—	—	—	—	—	97,145	200,661	105,271	185,546
Resale items	—	—	2,410	50,066	3,588	—	—	—	56,064	70,000	73,680
Tuition	—	12,457	134,696	239,046	4,707	—	—	—	390,908	246,403	251,918
Other	526,723	—	44,324	20,866	775	—	278	5,233	598,199	438,250	400,967
	870,048	34,819	541,354	491,575	78,535	13,093	278	192,052	2,221,754	1,194,324	2,022,033
Total revenues	4,026,907	54,370	2,310,380	2,886,162	264,387	266,977	248,502	307,773	10,365,458	8,796,923	10,058,900
Total expenses (schedule 2)	2,760,946	51,780	2,367,184	2,901,755	271,198	253,899	544,300	638,088	9,789,150	8,996,340	9,504,108
Excess (deficiency) of revenues over expenses	$ 1,265,961	$ 2,590	$ (56,804)	$ (15,593)	$ (6,811)	$ 13,078	$(295,798)	$(330,315)	$ 576,308	$(197,417)	$ 554,792

SCHEDULE 2.

NORTHLANDS COLLEGE

SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION

Year ended June 30, 2000

	General Administration			Programming					Support Services				
	Board	Administrative	Organizational	Community and Individual Development	Basic Education	Vocational Technical	University Credit	Other	Career Services	Student Services	2000 Total	(Note 9) 2000 Budget	1999 Total
Contractural and professional services	$ —	$ 199,093	$ 28,982	$ 32,370	$ 290,870	$ 1,485,426	$ 110,416	$ 247,495	$ 45,475	$ 88,038	$ 2,528,165	$ 1,468,905	$2,599,720
Rentals	—	16,071	245,861	1,679	110,060	110,007	7,094	50	42,979	167,907	701,708	630,585	571,524
Repairs & maintenance	—	54,120	56,798	—	22,175	28,145	3,322	—	7,284	19,955	191,799	228,744	183,197
Operating (schedule 3)	75,743	185,348	296,463	7,087	337,727	517,867	41,618	6,354	70,397	109,723	1,648,327	1,330,144	1,502,025
Personnel services	42,608	660,077	899,782	10,644	1,606,352	760,310	108,748	—	378,165	252,445	4,719,131	5,337,962	4,647,642
	$118,351	$ 1,114,709	$ 1,527,886	$ 51,780	$ 2,367,184	$ 2,901,755	$ 271,198	$ 253,899	$ 544,300	$ 638,068	$ 9,789,130	$ 8,996,340	$9,504,108

SCHEDULE 3.

NORTHLANDS COLLEGE

SCHEDULE OF OPERATING EXPENSES

Year ended June 30, 2000

	2000	1999
Advertising	$ 87,956	$ 57,542
Association fees and dues	17,017	15,224
Bad debts	16,303	19,671
Bank charges and interest	217	174
Computer software	21,611	36,136
Conference and training fees	36,172	33,469
Equipment purchase	97,520	64,766
Insurance	50,583	50,309
Materials and supplies	316,362	246,455
Postage, freight and courier	40,105	30,398
Printing and duplicating	59,189	70,365
Resale items	54,482	87,518
Subscriptions	5,550	5,836
Telephone and fax	111,995	114,428
Travel	482,537	301,255
Utilities	228,775	202,833
Other	1,953	165,646
	$ 1,628,327	$ 1,502,025

SCHEDULE 4.

NORTHLANDS COLLEGE
SCHEDULE OF RESERVE TRANSACTIONS
Year ended June 30, 2000

	Balance beginning of year	Transfers from (to) other funds	Appropriations from unrestricted net assets	Transfers to unrestricted net assets	Balance end of year
Building Maintenance Fund	$ 149,958	$ —	$ 55,542	$ (44,650)	$ 160,850
Capital Purchase Fund (previously Building Fund)	40,000	—	60,000	—	100,000
Information Technology Fund (previously Computer Fund)	57,426	(60,000)	202,574	(9,800)	190,200
Mineral Sector Training Fund	51,174	(51,174)	4,264	(4,264)	—
Employment Equity Fund	75,000	(75,000)	—	—	—
Training and Education Fund	30,486	186,174	214,070	(118,882)	311,848
	$ 404,044	$ —	$ 536,450	$ (177,596)	$ 762,898

Skilnick Robertson Besler Miller & Co.
Chartered Accountants

PARKLAND REGIONAL COLLEGE

AUDITORS' REPORT

2000.

The Members of the Board
Parkland Regional College
MELVILLE, Saskatchewan

We have examined the statement of financial position of the Parkland Regional College as at June 30, 2000 and the statement of operations, statement of changes in fund balances and statement of cash flows for the year then ended. The college is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2000 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

SKILNICK ROBERTSON BESLER MILLER & CO.
Chartered Accountants

Melville, Saskatchewan
September 5, 2000

STATEMENT 1

PARKLAND REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2000.

	2000			1999
	CAPITAL FUND	OPERATING FUND	TOTAL	TOTAL
ASSETS				
CURRENT ASSETS				
Cash and temporary investments	$	$1,333,208	$1,333,208	$1,046,781
Accounts receivable (Note 3)		219,616	219,616	201,546
Prepaid expenses		10,819	10,819	17,918
Advance - Yorkton Regional High School (Note 11)		69,475	69,475	70,421
	Nil	1,633,118	1,633,118	1,336,666
CAPITAL ASSETS (Notes 2 & 4)	1,472,850		1,472,850	694,989
	$1,472,850	$1,633,118	$3,105,968	$2,031,655
LIABILITIES AND FUND BALANCE				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 5)	$	$ 173,622	$ 173,622	$ 208,038
Accrued holiday pay		66,404	66,404	60,256
Deferred revenue (Notes 2 & 6)		160,942	160,942	171,775
	$ Nil	$ 400,968	$ 400,968	$ 440,069
FUND BALANCES				
Invested in capital assets	$1,472,850	$	$1,472,850	$ 694,989
Internally restricted as reserves (Note 14)		913,958	913,958	284,000
Unrestricted		318,192	318,192	612,597
	1,472,850	1,232,150	2,705,000	1,591,586
	$1,472,850	$1,633,118	$3,105,968	$2,031,655

Approved by the Board:

Jillian Gortsoff ______ Director

______ Director

See Accompanying Notes

STATEMENT 2

PARKLAND REGIONAL COLLEGE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2000.

	-------- OPERATING -------			--- CAPITAL ---		---- TOTAL ----	
	BUDGET (Note 7)	2000	1999	2000	1999	2000	1999
REVENUES (Schedule 1)							
Saskatchewan Post-Secondary Education and Skills Training	$3,650,701	$3,825,157	$3,764,373	$ 741,015	$	$4,566,172	$3,764,373
Federal Government	165,625	83,214	530,856			83,214	530,856
Other revenue	1,330,466	1,404,614	1,351,944			1,404,614	1,351,944
Total revenues	5,146,792	5,312,985	5,647,173	741,015	Nil	6,054,000	5,647,173
EXPENSES (Schedule 2)							
Contractual and Professional Services	1,908,308	1,498,202	2,110,533			1,498,202	2,110,533
Rentals (Note 13)	228,258	224,752	170,771			224,752	170,771
Repairs and maintenance	41,063	34,542	45,113			34,542	45,113
Amortization				123,506	141,099	123,506	141,099
Operating expenses (Schedule 3)	532,265	525,824	514,643			525,824	514,643
Personal services	2,477,969	2,533,760	2,633,833			2,533,760	2,633,833
Total expenses	5,187,863	4,817,080	5,474,893	123,506	141,099	4,940,586	5,615,992
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$(41,071)	$ 495,905	$ 172,280	$ 617,509	$ (141,099)	$1,113,414	$ 31,181

See Accompanying Notes

PARKLAND REGIONAL COLLEGE
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2000.

STATEMENT 3

	INVESTED IN CAPITAL ASSETS	INTERNALLY RESTRICTED ASSETS	UNRESTRICTED	2000	1999
Balance, beginning of year	$ 694,989	$ 284,000	$ 612,597	$1,591,586	$1,560,405
Excess (deficiency) of revenue over expenses	617,509		495,905	1,113,414	31,181
Interfund transfers	160,352	(93,818)	(66,534)	Nil	Nil
Appropriated to reserves		723,776	(723,776)	Nil	Nil
	$1,472,850	$ 913,958	$ 318,192	$2,705,000	$1,591,586

See Accompanying Notes

STATEMENT 4

PARKLAND REGIONAL COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000.

	2000	1999
CASH FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	$1,113,414	$ 31,181
Items not affecting cash		
- amortization	123,506	141,099
Net change in non-cash working capital	(49,126)	318,413
	1,187,794	490,693
FINANCING ACTIVITIES	Nil	Nil
INVESTING ACTIVITIES		
Purchase of capital assets	(901,367)	(72,623)
Increase (decrease) in cash during year	286,427	418,070
Cash and temporary investments at the beginning of the year	1,046,781	628,711
Cash and temporary investments at the end of the year	$1,333,208	$1,046,781

SCHEDULE 1

PARKLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2000.

	ADMINISTRATION	PROGRAMMING				SUPPORT SERVICES				
	GENERAL REVENUE	COMMUNITY & INDIVIDUAL DEVELOPMENT	ADULT BASIC EDUCATION	VOCATIONAL TECHNICAL	UNIVERSITY CREDIT	CAREER SERVICES	STUDENT SERVICES	2000 TOTAL	BUDGET (Note 7)	1999
Post-Secondary Education and Skills Training										
Admin Recovery	$ 157,508	$	$	$	$	$	$	$ 157,508	$ 146,100	$ 154,066
Base Grant	1,214,853							1,214,853	891,740	1,060,199
Outreach Fund								Nil	169,840	169,840
Program Payments			1,187,903	1,175,064				2,362,967	2,378,021	2,380,268
Other	39,829					50,000		89,829	65,000	Nil
	1,412,190	Nil	1,187,903	1,175,064	Nil	50,000	Nil	3,825,157	3,650,701	3,764,373
Federal Government										
Seat Purchases			83,214					83,214	153,625	292,745
Projects								Nil	12,000	238,111
	Nil	Nil	83,214	Nil	Nil	Nil	Nil	83,214	165,625	530,856
Other										
Contracts		15,674	255,432	143,655	105,500	4,780		525,041	729,832	678,033
Interest	87,612							87,612	40,000	61,761
Rents	5,178		941		3,500	2,315		11,934	10,625	9,236
Resale items		12,632	38,990	58,508				110,130	13,300	59,673
Tuition		53,640	39,664	403,439	151,096	1,065		648,904	489,894	507,300
Other	20,993							20,993	46,815	35,941
	113,783	81,946	335,027	605,602	260,096	8,160	Nil	1,404,614	1,330,466	1,351,944
TOTAL REVENUE	1,525,973	81,946	1,606,144	1,780,666	260,096	58,160	Nil	5,312,985	5,146,792	5,647,173
TOTAL EXPENSES (Schedule 2)	1,733,957	30,149	1,187,604	1,484,674	245,426	135,270	Nil	4,817,080	5,187,863	5,474,893
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$ (207,984)	$ 51,797	$ 418,540	$ 295,992	$ 14,670	$ (77,110)	$ Nil	$ 495,905	$ (41,071)	$ 172,280

SCHEDULE 2

PARKLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2000.

	GENERAL ADMINISTRATION			PROGRAMMING				SUPPORT SERVICES				
	BOARD	ADMINIS-TRATIVE	ORGANIZ-ATIONAL	COMMUNITY & INDIVIDUAL DEVELOPMENT	BASIC EDUCATION	VOCATIONAL TECHNICAL	UNIVERSITY CREDIT	CAREER SERVICES	STUDENT SERVICES	2000 TOTAL	BUDGET (Note 7)	1999
Contractual and Professional Services	$	$ 90,681	$ 4,875	$ 9,175	$ 66,563	$1,167,081	$ 159,827	$	$	$1,498,202	$1,908,308	$2,110,533
Rentals (Note 13)			120,778	1,228	72,940	28,030	702	1,074		224,752	228,258	170,771
Repairs and Maintenance			33,557		985					34,542	41,063	45,113
Operating (Schedule 3)	22,074	31,052	226,544	5,581	83,149	84,592	53,144	19,688		525,824	532,265	514,643
Personal Services	23,478	312,366	868,552	14,165	963,967	204,971	31,753	114,508		2,533,760	2,477,969	2,633,833
	$ 45,552	$ 434,099	$1,254,306	$ 30,149	$1,187,604	$1,484,674	$ 245,426	$ 135,270	$ Nil	$4,817,080	$5,187,863	$5,474,893

See Accompanying Notes

SCHEDULE 3

PARKLAND REGIONAL COLLEGE
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2000.

	2000	1999
Advertising	$ 32,368	$ 36,519
Association fees and dues	7,052	7,208
Bad debts	255	11,256
Bank charges and interest	577	860
Minor equipment purchases	8,123	272
Conference and training fees	14,136	18,697
Insurance	11,944	12,864
Materials and supplies	190,158	182,077
Postage, freight and courier	10,746	11,478
Printing and duplicating	14,361	14,738
Subscriptions	1,453	1,568
Telephone and fax	77,396	64,262
Travel	99,221	98,172
Utilities	58,034	54,672
Total	$ 525,824	$ 514,643

PARKLAND REGIONAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000.

1. PURPOSE AND AUTHORITY

The Parkland Regional College offers educational services and programs under the authority of Section 14 of The Regional Colleges Act.

The Board of the Parkland Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of The Regional Colleges Act and its regulations.

The College's objectives are to promote the social, economic and cultural development of the Parkland region of Saskatchewan by facilitating learning options and participating in community groups.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant policies:

Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

Operating Fund
The operating fund consists of those revenues and expenses relating to the general operations of the College.

Capital Fund
The capital fund reflects the equity of the College in capital assets after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense.

Revenue recognition

The College follows the restricted fund method of accounting for grants. Grants related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Grants restricted for capital assets are recognized as revenue of the capital fund in the year they are received or receivable.

Unrestricted operating grants are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(Continued on next page)

PARKLAND REGIONAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000.

2. SIGNIFICANT ACCOUNTING POLICIES ... Continued

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Leasehold improvements	5% to 20%
Buildings	5%
Office furnishing/equipment	10% to 20%
Computer hardware	33%

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$ 32,738	$ 58,181
Government of Saskatchewan - Other	29,866	30,571
Federal government	5,691	8,481
Other	151,321	104,313
	$ 219,616	$ 201,546

4. CAPITAL ASSETS

	COST	ACCUMULATED AMORTIZATION	2000 NET BOOK VALUE	1999 NET BOOK VALUE
Land	$ 14,000	$ Nil	$ 14,000	$ 14,000
Leasehold improvements	415,947	156,657	259,290	243,661
Buildings	1,145,016	54,693	1,090,323	323,008
Office furnishings/ equipment	180,606	132,010	48,596	55,886
Computer hardware	473,315	412,674	60,641	58,434
	$2,228,884	$ 756,034	$1,472,850	$ 694,989

5. ACCOUNTS PAYABLE

Accounts payable are composed of the following:

	2000	1999
Government of Saskatchewan - Other	$ 3,180	$ 15,838
Federal government	Nil	247
Other	170,442	191,953
	$ 173,622	$ 208,038

(Continued on next page)

PARKLAND REGIONAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000.

6. DEFERRED REVENUE

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$ 141,047	$ 154,537
Other	Nil	15,000
Student tuitions	19,895	2,238
	$ 160,942	$ 171,775

7. BUDGET AMOUNTS

The budget was prepared by regional college management with Board approval given on June 21, 1999. Ministerial approval was received May 9, 2000.

8. RELATED PARTY TRANSACTIONS

Included in these financial statements are revenue and expense amounts resulting from routine transactions with related parties. These transactions are conducted at prevailing market prices, except for transactions with Sask Property Management Corporation which are conducted at the standard rates charged by the corporation. These various Saskatchewan Crown-controlled departments, agencies and corporations are related to the College by virtue of its economic interest with the Government of Saskatchewan.

Expenses for related party transactions during the year were as follows:

	2000	1999
Sask Tel expenses	$ 72,071	$ 66,863
Sask Power and Energy expenses	56,549	53,667
Sask Property Management expenses	51,480	42,523

In addition, the College pays Provincial Sales Tax to the Saskatchewan Department of Finance on all taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The College delivers various training and educational programs with funding provided by Government organizations. During the year the college earned funding from the following:

	2000	1999
New Careers Corporation	$ Nil	$ 56,701
SIAST	Nil	56,196
Saskatchewan Communications Network	105,500	105,500

(Continued on next page)

PARKLAND REGIONAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000.

8. RELATED PARTY TRANSACTIONS ... Continued

The College brokerages course programs from SIAST. The amount incurred during the year amounted to $497,864 (1999 - $683,039).

The College brokerages course programs from the University of Saskatchewan. The amount incurred during the year amounted to $132,142 (1999 - $147,718).

Account balances from these transactions are included in the statement of financial position and are settled on normal trade terms. Other transactions with related parties are disclosed elsewhere in these financial statements.

9. FINANCIAL INSTRUMENTS

(a) The carrying amount of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities and accrued holiday pay approximates fair value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

(b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

10. PENSIONS

Employees of the college participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission. The college has no financial obligation to TSP. Eligible employees contribute to TSP for their current service. No matching contribution is made by the Board. The General Revenue Fund is responsible for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined benefit plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $53,038 (1999 - $62,627).

11. ADULT EDUCATION AGREEMENT - YORKTON REGIONAL HIGH SCHOOL

The College and Yorkton Regional High School are parties to an agreement covering the provision of adult education classes through the facilities of the school. Terms of the agreement provide that course program and administration is the responsibility of the school. Financial responsibility for the program offered is provided by the College supported by funding from Saskatchewan Post-Secondary Education & Skills Training. Under the terms of the agreement deficits are the responsibility of the College.

(Continued on next page)

PARKLAND REGIONAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000.

12. LINE OF CREDIT AGREEMENT

The College has an established line of credit up to $200,000 with the Royal Bank of Canada. Melville, Saskatchewan. Security for advances under the agreement consists of an assignment of grant proceeds due from Saskatchewan Post-Secondary Education & Skills Training.

13. LEASE AGREEMENTS

The College is obligated under the following lease agreements.

Instructional Facilities

- Central School, Fort Qu'Appelle, Saskatchewan, under a ten year lease which expired May 31, 1998. The agreement covers use of the school building and grounds with annual rental at $1. Terms provide for the College to pay annual operating costs and to be responsible for minor renovations. The agreement contains an option to renew at the end of the initial lease term.

- Simpson School, Yorkton, Saskatchewan. The transfer of building and property is presently being negotiated and is subject to Saskatchewan Post-Secondary Education and Skills Training approval.

Offices

- Administration office and classrooms located in the Melville Comprehensive School, Melville, Saskatchewan, under a ten year lease which expires August 15, 2008. Terms of the lease provide for annual rental of $50,000 plus applicable taxes.

- Branch office and classrooms, Canora, Saskatchewan, located in the Senior Elementary School, under a two year lease which expired July 31, 1994 has been renewed on a yearly basis to June 30, 2000 under an informal agreement with the Town of Canora. Terms of the lease provide for annual rental of $11,550.

Equipment

- Xerox Canada covering 6 photocopiers at various locations until March 26, 2003. Terms of the lease call for annual rental payments of $20,212 plus taxes.

- IBM Canada covering annual maintenance on computer equipment at approximately $2,168 including taxes.

14. RESTRICTION ON NET ASSETS

The Board of Directors of Parkland Regional College have placed internal restrictions on $913,958 of unrestricted net assets to be used for future expenditures. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

(Continued on next page)

PARKLAND REGIONAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2000.

15. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

(Continued from previous page)

Gilchrist & Co.

CERTIFIED MANAGEMENT ACCOUNTANTS

AUDITOR'S REPORT

To the Members of the Board
of the Prairie West Regional College

We have audited the statement of financial position of the Prairie West Regional College as at June 30, 2000 and the statements of operations, changes in fund balances and cash flows for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Rosetown, Saskatchewan
September 19, 2000

Gilchrist & Co.
Certified Management Accountant

PRAIRIE WEST REGIONAL COLLEGE
Statement of Financial Position
June 30, 2000

	2000			1999
	Operating	Capital	Total	Total
Assets:				
Current assets:				
Cash and temporary investments	$1,062,664	198,617	1,261,281	1,200,762
Accounts receivable (note 3)	142,650	-	142,650	150,942
Prepaid expense	43,361	-	43,361	17,437
	1,248,675	198,617	1,447,292	1,369,141
Capital assets (note 4)	-	233,125	233,125	268,498
Capital assets in progress (note 5)	-	563,420	563,420	-
	$1,248,675	995,162	2,243,837	1,637,639
Liabilities:				
Current liabilities:				
Accounts payable (note 6)	$ 134,194	-	134,194	54,674
Accrued vacation payable	76,567	-	76,567	61,415
Deferred revenue (note 7)	410,299	743,743	1,154,042	684,737
	621,060	743,743	1,364,803	800,826
Fund balances:				
Invested in capital assets	-	251,419	251,419	268,498
Externally restricted	-	-	-	-
Internally restricted as reserves (note 8)	205,000	-	205,000	205,000
Unrestricted	422,615	-	422,615	363,315
	627,615	251,419	879,034	836,813
	$1,248,675	995,162	2,243,837	1,637,639

Approved:

_______________ *Chairperson*

Prairie West Regional College
Statement of Operations
For the year ended June 30, 2000

	Operating			Capital			Total		
	(Note 9) Budget	2000	1999	(Note 9) Budget	2000	1999	(Note 9) Budget	2000	1999
Revenues (Schedule 1)									
Saskatchewan Post-Secondary	$ 2,349,883	2,245,800	1,873,550	-	-	-	2,349,883	2,245,800	1,873,550
Education and Skills Training	-	-	-	-	-	-	-	-	-
Federal Government	100,000	14,567	549,005	-	-	-	100,000	14,567	549,005
Other Revenue	860,442	905,902	786,550	60,000	-	-	920,442	905,902	786,550
Total revenues	3,310,325	3,166,269	3,209,105	60,000	-	-	3,370,325	3,166,269	3,209,105
Expenses (Schedule 2)									
Contractual and Professional Services	1,108,252	768,049	810,604	-	-	-	1,108,252	768,049	810,604
Rentals	241,556	240,395	257,113	-	-	-	241,556	240,395	257,113
Repairs and Maintenance	15,015	12,520	5,592	-	-	-	15,015	12,520	5,592
Amortization	-	-	-	163,467	116,036	101,122	163,467	116,036	101,122
Operating Expenses (Schedule 3)	448,855	445,448	456,176	-	-	-	448,855	445,448	456,176
Personal Services	1,495,116	1,543,512	1,570,387	-	-	-	1,495,116	1,543,512	1,570,387
(Gain) loss on Disposal of Fixed Assets	-	-	-	-	(1,912)	(5,042)	-	(1,912)	(5,042)
Total expenses	3,308,794	3,009,924	3,099,872	163,467	114,124	96,080	3,472,261	3,124,048	3,195,952
Excess (deficiency) of revenue over expenses	$ 1,531	156,345	109,233	(103,467)	(114,124)	(96,080)	(101,936)	42,221	13,153

PRAIRIE WEST REGIONAL COLLEGE
Statement of Changes in Fund Balances
For the year ended June 30, 2000

	Invested in Capital Assets	Externally Restricted Assets	Internally Restricted Assets	Unrestricted	2000	1999
Fund balance at beginning of year	$ 268,498	-	205,000	363,315	836,813	823,660
Excess (deficiency) of revenue over expenses	(114,124)	-	-	156,345	42,221	13,153
Appropriated to reserves	-	-	-	-	-	-
Interfund transfers	97,045	-	-	(97,045)	-	-
Fund balance at end of year	$ 251,419	-	205,000	422,615	879,034	836,813

PRAIRIE WEST REGIONAL COLLEGE
Statement of Cash Flows
For the year ended June 30, 2000

	2000	1999
Cash from operating activities:		
Excess (deficiency) of revenue over expenses	$ 42,221	13,153
Add:		
Amortization	116,036	101,122
(Gain) loss on sale of capital assets	(1,912)	(5,042)
Net change in non-cash working capital	546,345	45,097
	702,690	154,330
Investing activities:		
Purchase of capital assets	(80,663)	(62,020)
Construction of joint-use facility at Biggar	(545,126)	-
Development of Student Information System	(18,294)	-
Proceeds from disposal of capital assets	1,912	5,042
	(642,171)	(56,978)
Increase in cash during year	60,519	97,352
Cash at beginning of the year	1,200,762	1,103,410
Cash at end of the year	$ 1,261,281	1,200,762

PRAIRIE WEST REGIONAL COLLEGE
Notes to the Financial Statements
For the year ended June 30, 2000

1. **Purpose and authority**

The Prairie West Regional College offers educational services and programs under the authority of Section 14 of The Regional Colleges Act.

The Board of the Prairie West Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of The Regional Colleges Act and its regulations.

2. **Significant Accounting Policies**

The financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant policies:

a) **Fund Accounting**

The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

i) **Operating Fund**
The operating fund consists of those revenues and expenses relating to the general operations of the College.

ii) **Capital Fund**
The capital fund reflects the equity of the College in capital assets after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense.

b) **Revenue recognition**

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

c) **Capital Assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates and is reported as an expense in the capital fund:

Buildings	5%
Office furniture	10%
Office equipment	20%
Machinery	20%
Computer equipment	33%
Leasehold improvement	33%
System development	20%

PRAIRIE WEST REGIONAL COLLEGE
Notes to the Financial Statements
For the year ended June 30, 2000

3. Accounts Receivable

Accounts receivable consists of the following:

	2000	1999
Saskatchewan Post Secondary Education and Skills Training	$ 11,855	14,099
Province of Saskatchewan - other	4,163	1,017
Regional Colleges	32,729	14,853
S.I.A.S.T.	2,491	8,313
Federal government	41,495	32,705
Other	49,917	79,955
	$ 142,650	150,942

4. Capital Assets

Capital assets consist of the following:

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 33,000	-	33,000	33,000
Buildings	181,910	89,047	92,863	101,958
Leasehold improvements	8,092	2,697	5,395	-
Furniture	50,419	12,608	37,811	30,676
Office equipment	65,788	61,370	4,418	6,627
Machinery	157,812	157,812	-	10,352
Computer equipment	405,162	345,524	59,638	85,885
	$ 902,183	669,058	233,125	268,498

5. Capital Assets In Progress

Capital assets in progress consist of the following:

	2000	1999
Construction in progress for a joint-use facility at Biggar. Construction began in 1999 and is scheduled to be completed in August, 2000. Costs incurred to June 30, 2000 were $545,126.	$ 545,126	-
Prairie West Regional College along with Saskatchewan Post-Secondary Education and Skills Training and other Regional Colleges began to develop a province wide automated student information system. The system is expected to be implemented in the 2000-2001 fiscal year. The College share of development costs incurred to June 30, 2000 is $18,294.	18,294	-
	$ 563,420	-

6. Accounts Payable

Accounts payable consists of the following:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training	$ 1,205	-
Province of Saskatchewan - other	6,433	515
Regional Colleges	783	551
S.I.A.S.T.	1,632	4,279
Federal government	-	157
Other	124,141	49,172
	$ 134,194	54,674

PRAIRIE WEST REGIONAL COLLEGE
Notes to the Financial Statements
For the year ended June 30, 2000

7. **Deferred Revenue**

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2000	1999
Saskatchewan Post-Secondary Education and Skills Training - program related	$ 409,714	622,777
Saskatchewan Post-Secondary Education and Skills Training - joint-use capital project at Biggar	743,743	60,000
Other	585	1,960
	$ 1,154,042	684,737

8. **Restrictions on net assets**

The Board of Directors of Prairie West Regional College has placed internal restrictions on $205,000 (1999- $205,000) of unrestricted net assets to be used for unspecified unforeseen events. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

9. **Budget amounts**

The budget was prepared by Regional College management with Board approval given on May 31, 1999. Ministerial approval was received May 9, 2000.

10. **Related Party Transactions**

Included in these financial statements are revenue and expense amounts resulting from routine transactions with related parties. These transactions are conducted at prevailing market prices with various Saskatchewan Crown-controlled departments, agencies and corporations with which the College is related by virtue of its economic interest with the Government of Saskatchewan.

The college brokered the following course sessions during the year:

	2000	1999
S.I.A.S.T.	$ 293,766	386,450

Payments to other related parties include:

	2000	1999
Saskatchewan Municipal Employees' Pension	$ 44,865	43,297
Sask . Tel . expenses	59,189	57,426
Sask . Power expenses	17,219	16,076
Sask. Energy expenses	11,267	8,266
	$ 132,540	125,065

Account balances from these transactions are included in the balance sheet and are settled on normal trade terms. Other transactions with related parties are disclosed elsewhere in these financial statements.

The College receives long distance telephone service between major centres from Sask . Tel., a related party, at reduced rates available to government agencies.

PRAIRIE WEST REGIONAL COLLEGE
Notes to the Financial Statements
For the year ended June 30, 2000

11. Financial Instruments

The carrying amount of cash and temporary investments, accounts receivable, accounts payable and accrued salaries and vacation payable approximates fair value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that they affect the amount, timing, or certainty of future cash flows.

12. Pensions

Employees of the college participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission. The college has no financial obligation to TSP. Eligible employees contribute to TSP for their current service. No matching contribution is made by the Board. The General Revenue Fund is responsible for the financial obligations of the TSP. All other employees participate through Municipal Employee's Pension Plan (MEPP) which is also a multi-employer defined benefit plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation of the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $44,865 (1999-$43,297).

13. Comparative Information

Certain 1999 balances have been reclassified to conform with the current year's presentation.

Schedule 1

Prairie West Regional College
Schedule of Operating Fund Revenues by Function
For the year ended June 30, 2000

	Administration	Programming				Support Services		Total		
	General Revenue	Non Credit	Adult Basic Education	Vocational Technical	University Credit	Career Services	Student Services	2000	Budget	1999
Post-Secondary Education and Skills Training:										
Admin. Recovery	$ 44,000	-	-	50,000	-	10,000	-	104,000	104,000	104,000
Base Grant	845,458	-	15,366	-	123,086	69,594	-	1,053,504	835,796	843,902
Outreach Fund	-	-	-	-	-	-	-	-	168,030	171,298
Program Payments	-	-	245,823	721,898	-	-	-	967,721	1,152,443	692,726
RSB Payments	29,808	1,129	41,271	-	-	40,192	-	112,400	-	-
Other	8,175	-	-	-	-	-	-	8,175	89,614	61,624
	927,441	1,129	302,460	771,898	123,086	119,786	-	2,245,800	2,349,883	1,873,550
Federal Government:										
Admin. Recovery	-	-	-	-	-	-	-	-	-	-
Seat Purchases	-	-	2,511	-	-	-	-	2,511	-	508,934
Projects	-	-	-	-	-	-	-	-	100,000	-
Other	-	12,056	-	-	-	-	-	12,056	-	40,071
	-	12,056	2,511	-	-	-	-	14,567	100,000	549,005
Other:										
Admin. Recovery	-	-	-	-	-	-	-	-	-	-
Contracts	90,739	53,078	68,714	-	-	4,613	-	217,144	224,847	205,731
Interest	72,506	-	-	-	-	-	-	72,506	30,000	57,967
Rents	1,995	1,125	-	2,200	-	-	-	5,320	1,700	3,807
Resale Items	363	35,013	1,114	44,868	2,575	-	-	83,933	86,660	101,143
Tuitions	-	184,441	(436)	333,146	-	-	-	517,151	516,035	417,354
Other	7,673	180	340	250	-	1,405	-	9,848	1,200	548
	173,276	273,837	69,732	380,464	2,575	6,018	-	905,902	860,442	786,550
Total Revenue	1,100,717	287,022	374,703	1,152,362	125,661	125,804	-	3,166,269	3,310,325	3,209,105
Total Expense (Schedule 2)	1,583,065	200,180	248,985	824,783	48,713	104,198	-	3,009,924	3,308,794	3,099,872
Excess (deficiency) of revenue over expenses	$ (482,348)	86,842	125,718	327,579	76,948	21,606	-	156,345	1,531	109,233

Schedule 2

Prairie West Regional College
Schedule of Operating Fund Expenses by Function
For the year ended June 30, 2000

		General Administration		Programing				Support Services		Total		
	Board	Administrative	Organizational	Non Credit	Adult Basic Education	Vocational Technical	University Credit	Career Service	Student Services	2000	Budget	1999
Contractual and Professional Services	$ -	26,410	10,331	126,995	30,662	530,979	41,357	1,315	-	768,049	1,108,252	810,604
Rentals	-	20,506	110,088	22,543	21,296	63,422	1,760	780	-	240,395	241,556	257,113
Repairs and Maintenance	-	912	5,429	75	4,583	1,521	-	-	-	12,520	15,015	5,592
Operating (Schedule 3)	7,232	121,548	119,129	50,073	26,290	106,975	5,451	8,750	-	445,448	448,855	458,176
Personal Services	17,644	469,551	674,285	494	166,154	121,886	145	93,353	-	1,543,512	1,495,116	1,570,387
Total expenditures	$ 24,876	638,927	919,262	200,180	248,985	824,783	48,713	104,198	-	3,009,924	3,308,794	3,099,872

PRAIRIE WEST REGIONAL COLLEGE
Schedule of Operating Expenses
For the year ended June 30, 2000

Schedule 3

	2000	1999
Operating expenses:		
Advertising	$ 26,426	32,466
Association fees and dues	6,972	6,909
Bad debts	693	3,752
Bank charges and interest	1,376	1,297
Computer software	6,745	3,604
Non-capital equipment purchases	26,491	10,451
Conference and training fees	23,704	16,513
Insurance	9,231	8,850
Materials and supplies	71,543	89,702
Postage, freight and courier	27,269	22,514
Printing and duplicating	20,206	16,255
Resale items	80,073	102,744
Subscriptions	1,589	3,801
Telephone and fax	59,883	57,169
Travel	46,447	49,033
Utilities	29,009	24,779
Other	7,791	6,337
Total	$445,448	456,176

KPMG LLP
Chartered Accountants

AUDITORS' REPORT TO THE BOARD OF GOVERNORS

We have audited the statement of financial position of Saskatchewan Indian Regional College (Operating as the Saskatchewan Indian Institute of Technologies) as at June 30, 2000 and the statements of operations, changes in net assets and cash flows for the year then ended. The college is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the college as at June 30, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Saskatoon, Saskatchewan

October 3, 2000

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Statement of Financial Position

June 30, 2000, with comparative figures for 1999

	2000	1999
Assets		
Current assets:		
Cash	$ 237,238	$ 2,444,026
Accounts receivable (note 4)	1,050,596	630,239
Prepaid expenses	113,084	27,358
Inventory	6,459	–
	1,407,377	3,101,623
Investment in Clarica Life Insurance Company	98,532	–
Deposit on building purchase	–	350,000
Capital assets (schedule 1)	4,749,025	882,049
	$ 6,254,934	$ 4,333,672
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	$ 1,361,788	$ 1,024,610
Deferred revenue (note 6)	1,439,573	2,250,104
Current portion of obligation under capital lease (note 7)	146,910	201,200
Agreement for sale (note 8)	2,581,470	–
	5,529,741	3,475,914
Obligation under capital lease (note 7)	176,557	60,391
Deferred contributions (note 9)	24,576	30,720
Net assets:		
Net assets invested in capital assets (note 10)	1,400,982	589,738
Net assets internally restricted (note 11)	48,556	50,829
Unrestricted net assets	(925,478)	126,080
	524,060	766,647
Commitments (note 12)		
	$ 6,254,934	$ 4,333,672

See accompanying notes to financial statements.

On behalf of the Board:

Director

Louis Taypotat Director

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Statement of Operations

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Revenue (schedule 2):		
Institutional programs and operations	$ 8,318,183	$ 6,675,087
Contract training	1,801,060	819,190
Contract projects	1,381,976	1,278,426
Other	110,622	52,600
	11,611,841	8,825,303
Expenditures (schedule 3):		
Institutional operations	1,958,481	1,324,965
Institutional programs	6,363,696	5,424,291
Contract training	1,829,345	825,671
Contract projects	1,447,471	1,356,734
SIIT building	255,435	–
	11,854,428	8,931,661
Deficiency of revenue over expenditures	$ (242,587)	$ (106,358)

See accompanying notes to financial statements.

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Statement of Changes in Net Assets

Year ended June 30, 2000, with comparative figures for 1999

	Invested in capital assets	Internally Restricted	Unrestricted	2000 Total	1999 Total
Balance, beginning of year	$ 589,738	$ 50,829	$ 126,080	$ 766,647	$ 873,005
Excess (deficiency) of revenue over expenditures	(576,111)	–	333,524	(242,587)	(106,358)
Internally imposed restrictions (note 11)	–	(2,273)	2,273	–	–
Investment in capital assets	1,387,355	–	(1,387,355)	–	–
Balance, end of year	$ 1,400,982	$ 48,556	$ (925,478)	$ 524,060	$ 766,647

See accompanying notes to financial statements.

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Statement of Cash Flows

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Cash flows from (used in):		
Operations:		
Deficiency of revenue over expenditures	$ (242,587)	$ (106,358)
Items not involving cash:		
Amortization	582,255	373,312
Amortization of deferred contributions	(6,144)	(7,680)
Investment in Clarica Life Insurance Company	(98,532)	–
Change in non-cash operating working capital:		
Accounts receivable	(420,357)	222,536
Prepaid expenses	(85,726)	23,008
Inventory	(6,459)	–
Accounts payable and accrued liabilities	337,178	(157,838)
Deferred revenue	(810,531)	1,863,527
	(750,903)	2,210,507
Financing:		
Obligation under capital lease	61,876	(98,632)
Agreement for sale	2,850,000	–
Payments under agreement for sale	(268,530)	–
	2,643,346	(98,632)
Investments:		
Purchase of capital assets	(3,779,363)	(74,689)
Proceeds on disposal of capital assets	–	8,575
Deposit on building purchase	–	(350,000)
Acquisition of capital leases	(319,868)	(106,932)
	(4,099,231)	(523,046)
Increase (decrease) in cash	(2,206,788)	1,588,829
Cash, beginning of year	2,444,026	855,197
Cash, end of year	$ 237,238	$ 2,444,026

See accompanying notes to financial statements.

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Notes to Financial Statements

Year ended June 30, 2000

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1. Purpose of the organization:

The Saskatchewan Indian Regional College (the "College"), operating as the Saskatchewan Indian Institute of Technologies, provides academic and career education and training to First Nations adults in Saskatchewan. It is mandated under the Saskatchewan Indian Institute of Technologies Act of the Federation of Saskatchewan Indian Nations Legislative Assembly and the Regional Colleges Act of the Province of Saskatchewan.

Effective July 1, 2000, the College will be governed by the Saskatchewan Indian Institute of Technologies Act of the Federation of Saskatchewan Indian Nations Legislative Assembly and the Saskatchewan Indian Institute of Technologies Act of the Province of Saskatchewan.

2. Accounting principles and policies:

The College's financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant policies:

(a) Use of estimates:

Preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions regarding the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures for the year. Actual results may differ from these estimates.

(b) Revenue recognition:

The College follows the deferral method of accounting for revenue. Funding for operational and program expenditures of future periods are deferred and recognized as revenue in the year in which the related expenditure is incurred. Funding designated for capital assets and projects is deferred and recognized as revenue on the same basis as the acquired capital assets are amortized.

Revenue from contractual training and projects is recognized as the service is delivered.

Revenue from tuition and fees is recognized as the course instruction is delivered.

(c) Capital assets and amortization:

Capital assets are recorded at cost. The net assets invested in capital assets represents the cumulative cost of assets, less accumulated amortization and financing.

Amortization is provided to charge the cost of capital assets to operations over their estimated useful lives and is calculated using the following methods and rates:

Assets (schedule 1)	Amortization method	Rate / Term
Building	Straight – line	20 years
Automotive equipment	Declining balance	30%
Office furniture and equipment	Declining balance	20%
Course equipment	Declining balance	20%
Leasehold improvements	Declining balance	20%
Computer software	Straight - line	2 years

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Notes to Financial Statements - continued

Year ended June 30, 2000

3. Related party transactions:

The following are related parties of Saskatchewan Indian Regional College because they are First Nations entities:

- Federation of Saskatchewan Indians, Inc. ("FSIN")
- Saskatchewan Indian Training Assessment Group Inc. ("SITAG")
- Saskatchewan Indian Gaming Authority ("SIGA")
- Saskatchewan First Nations and Tribal Councils
- Saskatchewan Indian Cultural Centre ("SICC")
- Saskatchewan Indian Federated College ("SIFC")

Saskatchewan Institute of Applied Science and Technology ("SIAST") and Sask Tel are related parties of Saskatchewan Indian Regional College as the members of the Board of Directors for each of the organizations are appointed by the Lieutenant Governor in Council for the Province of Saskatchewan.

Amounts payable to or receivable from related parties are separately disclosed in the financial statements. Other significant transactions with related parties during the year were primarily for program expenditures and class rental with total expenditures as follows:

	2000	1999
Saskatchewan First Nations and Tribal Councils	$ 945,540	$ 1,194,769
SIAST	129,071	182,778
FSIN	186,171	68,579
SIFC	–	400

Revenues received from related parties were primarily for program purchases and tuition with total revenue as follows:

	2000	1999
SITAG	$ 5,548,061	$ 4,338,625
Saskatchewan First Nations and Tribal Councils	1,775,418	973,303
Sask Tel	177,032	280,156
Post Secondary Education and Skills Training - Province of Saskatchewan	219,563	173,333
FSIN	74,433	71,448
SIGA	–	31,078

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Notes to Financial Statements - continued

Year ended June 30, 2000

4. Accounts receivable:

	2000	1999
External:		
Health and Welfare Canada	$ 107,625	$ 3,395
Goods and services tax	51,122	57,796
Trade	36,170	21,754
Staff/board advances	7,553	11,176
Human Resources Development Canada	–	2,428
Solicitor General	6,546	–
Canada Mortgage and Housing	2,300	–
Related parties:		
SITAG	472,179	318,932
First Nations and Tribal Councils	270,647	72,062
FSIN	50,867	69,729
Post Secondary Education and Skills Training - Province of Saskatchewan	25,979	31,415
Sask Tel	13,050	32,981
SIGA	5,773	8,071
SIAST	700	–
SICC	85	500
	1,050,596	630,239
Less: allowance for doubtful accounts	–	–
	$ 1,050,596	$ 630,239

5. Accounts payable and accrued liabilities:

	2000	1999
External:		
Trade payables and accrued liabilities	$ 969,313	$ 579,778
Province of Saskatchewan	–	2,870
Related parties:		
First Nations and Tribal Councils	369,474	400,154
SITAG	9,951	–
SIAST	5,830	2,560
Sask Tel	3,453	13,875
Post Secondary Education and Skills Training – Province of Saskatchewan	2,185	–
FSIN	1,007	25,373
SICC	500	–
SIFC	75	–
	$ 1,361,788	$ 1,024,610

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Notes to Financial Statements - continued

Year ended June 30, 2000

6. Deferred revenue:

The following program revenues are to be applied against program expenditures to be made subsequent to June 30, 2000:

	2000	1999
Aboriginal Employment Development (Human Resources Development Canada)	$ 1,030,235	$ 1,646,083
Operational funding (Indian and Northern Affairs Canada)	120,000	120,000
Accreditation Project (Human Resources Development Canada)	–	123,812
Homelessness Project (SITAG)	111,752	–
Construction Career Services (Saskatchewan Post-Secondary Education and Skills Training – Province of Saskatchewan)	78,071	–
Firefighter Training (Indian and Northern Affairs Canada)	28,632	20,995
Scholarship Funding:		
Fundraising - scholarships	20,372	13,342
Event registrations	7,550	13,900
Sask Tel	–	1,500
Basic Carpentry (Yellow Quill First Nation)	18,933	–
Adult Basic Education Programs:		
Tuition and book fees	17,466	–
Peepeekisis First Nation	6,562	–
Capacity Building Project (Human Resources Development Canada)	–	234,762
Pre-Transfer Health (Medical Services Branch)	–	27,673
Orientation to Day Care (FSIN)	–	16,848
NNADAP (Medical Services Branch)	–	11,501
Health Sciences (Peter Ballantyne Cree Nation)	–	8,666
Fundraising - Campus Building	–	6,296
Management Training (Regina Urban)	–	3,346
Electronics (Sask Tel)	–	1,300
Life Skills - Yorkton Tribal Council	–	80
	$ 1,439,573	$ 2,250,104

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Notes to Financial Statements - continued

Year ended June 30, 2000

7. Obligation under capital leases:

	2000	1999
Obligation under capital leases, beginning of year	$ 261,591	$ 360,223
Additions during the year	319,868	106,932
Repayments during the year	(257,992)	(205,564)
Obligation under capital leases, end of year	323,467	261,591
Less current portion	146,910	201,200
	$ 176,557	$ 60,391

Minimum lease payments under the capital leases are as follows:

2001	$ 160,880
2002	139,580
2003	52,240
2004	4,230
Total minimum lease payments	356,930
Less amount representing future interest	33,463
Net obligation under capital leases	$ 323,467

Interest rates on the leases range from 6.75% to 14.5%. Interest expensed during the year amounted to $29,518 (1999 - $22,794).

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Notes to Financial Statements - continued

Year ended June 30, 2000

8. Agreement for Sale:

Effective July 1, 1999 the College purchased the Churchill Building on 4th Avenue South in Saskatoon for $3,200,000. Monthly payments of $40,000 are being made until June 30, 2001 at which time the College plans to refinance the remaining debt.

	2000	1999
Interest at 7.75%, repayable in monthly installments of $40,000. Due June 30, 2001	$ 2,581,470	$ –
Current portion of agreement for sale	2,581,470	–
	$ –	$ –

9. Deferred contributions:

Deferred contributions represent amounts received from Aboriginal Business Canada relating to capital asset acquisitions for the Call Centre. These amounts are being recognized as revenue on the same basis as the related assets are being amortized as set out in note 2.

10. Net assets invested in capital assets:

Net assets invested in capital assets is comprised of:

	2000	1999
Net book value of capital assets	$ 4,749,025	$ 882,049
Purchase of capital assets financed by:		
Deferred contributions	(24,576)	(30,720)
Obligations under capital leases	(323,467)	(261,591)
Agreement for sale	(2,581,470)	–
Due from unrestricted net assets	(418,530)	–
Net assets invested in capital assets	$ 1,400,982	$ 589,738

11. Net assets internally restricted:

	2000	1999
Net assets internally restricted, start of year	$ 50,829	$ 96,203
Current year expenditures on:		
Legal fees	(273)	(18,625)
Campus facility design and development	(2,000)	(26,749)
Net assets invested in capital assets	$ 48,556	$ 50,829

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Notes to Financial Statements - continued

Year ended June 30, 2000

12. Commitments:

The College has commitments under operating leases over the next four years as follows:

2001	$ 186,078
2002	130,091
2003	110,878
2004	6,838
	$ 433,885

13. Budgeted figures:

Approved budgeted revenue and expenditures for the current fiscal year are as follows:

Revenue:	
Institutional programs and operations	$ 7,578,180
Contract training	1,503,000
Contract projects	1,070,000
	10,151,180
Expenditures:	
Institutional operations	1,480,150
Institutional programs	6,327,071
Contract training	1,503,000
Contract projects	1,070,000
	10,380,221
Budgeted excess of expenditures over revenue	$ (229,041)

14. Pension Plan:

The College has a defined contribution pension plan for the benefit of its employees. Membership in the plan is mandatory for eligible employees and employee contributions are matched equally by the College up to 7.5% of salary. The College's contribution to the plan was $246,892 in 2000 (1999 - $183,598). Annual contributions by the College are recorded as expenditures in the statement of operations.

15. Comparative figures

Certain of the prior year's figures used for comparative purposes have been reclassified to conform to the current year's presentation.

Schedule 1

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Capital Assets

June 30, 2000, with comparative figures for 1999

	2000			1999		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Building	$ 3,499,394	$ 174,970	$ 3,324,424	$ –	$ –	$ –
Office furniture	235,996	187,437	48,559	226,672	175,297	51,375
Office equipment	378,487	279,668	98,819	370,392	254,963	115,429
Automotive equipment	104,668	90,422	14,246	104,668	84,317	20,351
Course equipment	1,373,582	1,083,432	290,150	1,327,223	1,010,895	316,328
Computer software	123,891	118,560	5,331	113,229	108,261	4,968
Leasehold improvements	321,050	227,021	94,029	315,521	203,514	112,007
Assets under capital lease	989,875	666,408	323,467	670,007	408,416	261,591
Land	550,000	–	550,000	–	–	–
	$ 7,576,943	$ 2,827,918	$ 4,749,025	$ 3,127,712	$ 2,245,663	$ 882,049

Schedule 2

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Revenue

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Institutional programs and operations:		
SITAG	$ 4,606,302	$ 3,812,641
Indian and Northern Affairs Canada	1,440,000	1,440,000
First Nations and Tribal Councils:		
Tuition fees	839,623	599,032
Direct purchases	612,644	225,184
Purchases under Aboriginal Human Resource Development Agreement	323,151	149,087
Province of Saskatchewan Construction Project	203,165	170,911
Tuition fees - unrelated	186,714	122,566
Saskatoon Public School Division	50,186	–
Congress of Aboriginal Peoples	40,000	–
Tuition fees – province	16,398	–
Human Resources Development Canada	–	43,285
Electronics Program:		
Sask Tel	–	35,000
Wascana	–	22,600
SIGA	–	28,000
FSIN	–	26,781
	$ 8,318,183	$ 6,675,087

	2000	1999
Contract training:		
Certificate in Aboriginal Employment Development	$ 995,092	$ 47,717
National Native Alcohol and Drug Abuse Program	607,664	601,998
Firefighter Training	92,363	88,093
Community Health Representative Training	82,495	68,630
Life Skills Coach	7,800	–
Skills for Action	6,800	–
Human Resource Management Training	6,546	–
Canada Mortgage Housing Corporation – Housing Management	2,300	–
Electronics Program	–	12,752
	$ 1,801,060	$ 819,190

Schedule 2

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Revenue - Continued

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Contract projects:		
SITAG		
Regional Co-ordination-Aboriginal Human Resource Development Agreement	$ 471,168	$ 450,578
Research and Innovation Project	236,173	–
Homelessness Project	212,618	–
Disabilities Project	21,800	–
SIIT Call Centre Project	234,990	266,745
MSB Pre-transfer Health Project	78,115	6,077
Aboriginal Employment Development		
Development Project	–	311,637
Accreditation Project	34,212	16,188
FSIN		
Aboriginal Head Start	33,592	42,416
Home Health Aide/Long-Term Care Aide	25,000	–
Day Care Licensing and Orientation	15,841	31,496
Income Security Demo Project	18,467	–
Youth Co-ordination Project	–	67,404
Labor Market Information Systems Project		
Metis Employment and Training	–	57,144
Wide Area Network	–	5,000
Disabilities Program Planning	–	10,000
Provincial Training Strategy	–	7,100
SIIT Campus Fundraising	–	4,841
ABE Multi-media Project	–	1,800
	$ 1,381,976	$ 1,278,426

	2000	1999
Other:		
Gain on demutualization of insurance company	$ 98,532	$ –
Interest	9,782	51,801
Miscellaneous	2,308	799
	$ 110,622	$ 52,600

Schedule 3

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Expenditures by Function

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Institutional operations:		
Institutional support	$ 1,277,276	$ 760,069
Operations and maintenance	809,578	535,690
Amortization of capital assets	121,249	103,235
Board	111,406	137,347
Cost recoveries	(361,028)	(211,376)
	$ 1,958,481	$ 1,324,965
Institutional programs:		
Diploma programs	$ 3,272,406	$ 3,261,086
Certificate and applied certificate programs	1,430,594	472,231
Program planning, development and coordination	1,100,627	1,197,828
Academic preparation programs	658,195	463,599
Other career programs	358,750	393,313
Amortization of capital assets	200,374	185,856
Cost recoveries	(657,250)	(549,622)
	$ 6,363,696	$ 5,424,291
Contract training:		
National Native Alcohol and Drug Abuse Program	$ 607,664	$ 601,998
Certificate in Aboriginal Employment Development	1,015,791	47,717
Firefighter Training	92,363	86,666
Community Health Representative Training	82,495	68,630
Life Skills Coach	7,800	–
Amortization of capital assets	7,254	7,908
Skills for Action	6,800	–
Human Resource Officer Orientation	6,546	–
Canadian Mortgage Housing Corporation - Program Manager	2,632	–
Electronics Program	–	12,752
	$ 1,829,345	$ 825,671

Schedule 3

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Expenditures by Function - Continued

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Contract projects:		
SITAG		
Regional Co-ordination-Aboriginal Human Resource Development Agreement	$ 424,536	$ 430,919
Research and Innovation Project	236,173	–
Homelessness Project	212,618	–
Disabilities Project	21,800	–
SIIT Call Centre Project	267,740	255,001
Amortization of capital assets	78,408	76,313
MSB Pre-transfer Health Project	78,115	6,077
Aboriginal Employment Development		
Development Project	–	306,967
Accreditation Project	34,212	16,188
FSIN		
Aboriginal Head Start	33,592	42,416
Home Health Aide/Long-Term Care Aide	25,000	–
Day Care Licensing and Distribution	15,840	31,496
Income Security Demo Project	17,163	–
SIIT Campus Development	2,000	25,749
Legal costs	274	18,625
Youth Co-ordination Project	–	67,404
Labor Market Information Systems Project:		
Metis Employment and Training	–	57,144
Wide Area Network	–	5,000
Disabilities Program Planning	–	9,540
SIIT Campus Fundraising	–	4,841
ABE Multi-media Project	–	2,054
	$ 1,447,471	$ 1,356,734

	2000	1999
SIIT Building:		
Operating costs	$ 353,057	$ –
Loan interest	211,470	–
Amortization of capital assets	174,970	–
Cost recoveries	(484,062)	–
	$ 255,435	$ –

Schedule 4

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Expenditures by Object

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Salaries	$ 4,989,567	$ 4,352,572
Contractual services	2,277,707	1,300,338
Facilities rent	882,744	623,025
Employee benefits	785,214	598,926
Travel and sustenance	637,563	600,090
Coordination charges	351,305	168,737
Supplies	305,594	215,499
Reference materials	271,438	143,877
Telephone	218,245	162,170
Bank charges and interest	216,985	5,402
Trainee travel and sustenance	206,172	201,119
Administration charges	184,017	155,908
Furniture and major tools	162,433	5,802
Utilities	138,047	11,998
Resource persons	114,025	105,099
Property taxes	104,887	–
Vehicle and equipment rentals	96,684	123,455
Photocopying	93,188	70,260
Printing and binding	91,815	34,308
Janitorial	77,177	25,403
Maintenance	66,983	15,637
Miscellaneous	49,656	68,498
Registration	48,045	–
Courier	43,074	20,304
Board honoraria	41,531	53,654
Insurance	38,385	19,259
Advertising	38,223	55,421
Human Resources charges	38,110	–
Graduation	36,907	19,695
Audit and accounting fees	28,132	31,900
Training-staff	22,233	21,363
Training-students	21,650	11,701
Board travel	14,893	23,199
Scholarships	14,500	–
Casual	14,186	7,016
Legal fees	10,132	23,136
Postage	10,062	9,286
Memberships	9,385	6,778
Goods and services tax	7,089	9,098
Subscriptions	4,950	2,653
Business development	4,228	359
Equipment	3,973	2,491
Repairs	3,379	5,154
Bad debts	–	7,757
Total expense before recoveries and amortization	12,774,513	9,319,347
Amortization	582,255	373,312
Less Recoveries	(1,502,340)	(760,998)
	$11,854,428	$ 8,931,661

AUDITORS' REPORT TO THE MEMBERS OF THE LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

We have audited the statement of financial position of Saskatchewan Institute of Applied Science and Technology as at June 30, 2000 and the statements of operations, changes in net assets and cash flows for the year then ended. The Institute is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at June 30, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Saskatoon, Saskatchewan
August 18, 2000

Acting Provincial Auditor

Regina, Saskatchewan
August 18, 2000

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Statement of Financial Position

June 30, 2000 with comparative figures for 1999

(in thousands of dollars)

	2000	1999
Assets		
Current assets:		
Cash and short-term investments (note 3)	$ 14,969	$ 17,985
Accounts receivable (note 4)	6,702	4,919
Inventories (note 5)	1,928	1,360
Prepaid expenses	211	318
	23,810	24,582
Capital assets (note 6)	18,364	15,843
	$ 42,174	$ 40,425
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 5,843	$ 3,990
Salaries and benefits payable	6,906	6,355
Unearned revenue (note 7)	2,941	8,782
Deferred grants (note 9)	1,726	778
Current portion of obligation under capital leases (note 8)	77	194
	17,493	20,099
Obligation under capital leases (note 8)	177	213
Deferred grants related to capital assets (note 10)	8,543	7,346
	26,213	27,658
Net Assets		
Net assets invested in capital assets	9,567	8,091
Operating net assets:		
Unrestricted	5,122	3,827
Internally restricted (note 11)	1,272	849
	15,961	12,767
Commitments (note 12)		
	$ 42,174	$ 40,425

See accompanying notes to financial statements.

On behalf of the Board:

Paul I. Dudger Director

Director

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Statement of Operations

Year ended June 30, 2000 with comparative figures for 1999

(in thousands of dollars)

	2000 Budget	2000 Actual	1999 Actual
Revenue:			
Grants	$ 75,319	$ 76,409	$ 73,223
Contractual services	22,725	21,613	24,934
Tuition and fees	14,312	14,902	13,114
Sales	5,867	6,161	6,529
Amortization of deferred capital grants	1,281	1,096	1,102
Interest	720	1,005	820
Rentals	45	237	212
Donations	34	267	111
	120,303	121,690	120,075
Expenditures:			
Salaries and benefits	77,082	76,026	75,287
Facilities rental	16,545	14,958	15,214
Materials and supplies	9,113	9,800	9,777
Services	7,895	7,847	8,354
Amortization	4,397	4,519	4,467
Travel	2,848	3,125	3,094
Equipment rental and repairs	2,210	1,988	2,189
Scholarships and donations	213	233	220
	120,303	118,496	118,602
Excess of revenue over expenditures	$ –	$ 3,194	$ 1,473

See accompanying notes to financial statements.

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Statement of Changes in Net Assets

Year ended June 30, 2000, with comparative figures for 1999

(in thousands of dollars)

	Invested in Capital Assets	Unrestricted	Internally Restricted	2000 Total	1999 Total
Balance, beginning of year	$ 8,091	$ 3,827	$ 849	$ 12,767	$ 11,294
Excess (deficiency) of revenue over expenditures	(3,357)	6,551	–	3,194	1,473
Investment in capital assets	4,833	(4,833)	–	–	–
Internally imposed restrictions (note 11)	–	(423)	423	–	–
Balance, end of year	$ 9,567	$ 5,122	$ 1,272	$ 15,961	$ 12,767

See accompanying notes to financial statements.

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Statement of Cash Flows

Year ended June 30, 2000 with comparative figures for 1999

(in thousands of dollars)

	2000	1999
Cash from operating activities		
Excess of revenue over expenditures	$ 3,194	$ 1,473
Amortization of capital assets	4,519	4,467
Amortization of deferred capital grants	(1,096)	(1,102)
Change in non-cash working capital (note 13)	(4,733)	4,115
Gain on sale of capital assets	(67)	(480)
Cash generated from operating activities	1,817	8,473
Financing and investing activities		
Grants for purchase of capital assets	2,293	1,315
Repayments of obligation under capital leases	(153)	(300)
Increase in obligation under capital leases	–	221
Proceeds from sale of capital assets	183	550
Purchase of capital assets	(7,156)	(4,420)
Net cash used in financing and investing activities	(4,833)	(2,634)
Net increase (decrease) in cash and short-term investments	(3,016)	5,839
Cash and short-term investments, beginning of year	17,985	12,146
Cash and short-term investments, end of year	$ 14,969	$ 17,985

See accompanying notes to financial statements.

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Notes to Financial Statements

Year ended June 30, 2000

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1. Statutory authority:

Saskatchewan Institute of Applied Science and Technology (SIAST) was established as a public educational corporation by the Legislative Assembly of Saskatchewan under *The Institute Act* and is continued under *The Saskatchewan Institute of Applied Science and Technology Act*.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and include the following significant accounting policies:

(a) Revenue recognition:

SIAST follows the deferral method of accounting for grants. Grants for expenditures of future periods are deferred and recognized as revenue in the year in which the related expenditure is incurred. Grants for capital assets are deferred and recognized as revenue on the same basis as the acquired capital assets are amortized.

Revenue from contractual services is recognized as the service is delivered. Revenue from tuition and fees is recognized as the course instruction is delivered.

(b) Inventories:

Inventories consist of merchandise and supplies held for resale and are valued at the lower of cost and net realizable value. Administrative and program supplies and library periodicals are not inventoried.

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged to operations on the straight line basis over the following estimated useful lives of the assets:

Asset	Period
Industrial and heavy equipment	10 years
Furniture	10 years
Office equipment, specialized equipment and library	5 years
Vehicles	8 years
Leasehold improvements:	
SPMC owned properties	15 years
Other properties	Lease term
Computer equipment	3 years

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Notes to Financial Statements - continued

Year ended June 30, 2000

2. Significant accounting policies - continued:

(d) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions regarding the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures for the year. Actual amounts may differ from these estimates.

3. Cash and short-term investments:

(in thousands of dollars)

	2000	1999
Cash	$ 1,347	$ 1,053
Short-term investments	13,622	16,932
	$ 14,969	$ 17,985

The investment in short-term investments is stated at cost which approximates market value.

4. Accounts receivable:

(in thousands of dollars)

	2000	1999
Tuition fees	$ 100	$ 107
Programs delivered	2,253	1,511
Federal government	806	750
Provincial government - General Revenue Fund	3,051	1,856
Other	492	695
	$ 6,702	$ 4,919

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Notes to Financial Statements - continued

Year ended June 30, 2000

5. Inventories:

(in thousands of dollars)

	2000	1999
Bookstores	$ 1,799	$ 1,244
Food services	76	55
Shop and service supplies	53	61
	$ 1,928	$ 1,360

6. Capital assets:

(in thousands of dollars)

			2000	1999
	Cost	Accumulated Amortization	Net book Value	Net Book Value
Vehicles and equipment	$ 65,531	$ 53,968	$ 11,563	$ 10,559
Leasehold improvements	8,679	1,878	6,801	5,284
	$ 74,210	$ 55,846	$ 18,364	$ 15,843

7. Unearned revenue:

(in thousands of dollars)

	2000	1999
Tuition and fees	$ 847	$ 866
Contractual services	1,093	726
Grants - operations and rent	495	7,143
Other	506	47
	$ 2,941	$ 8,782

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Notes to Financial Statements - continued

Year ended June 30, 2000

8. Obligation under capital leases:

(in thousands of dollars)

	2000	1999
Obligation under capital leases, beginning of year	$ 407	$ 486
Additions during the year	–	221
Repayments during the year	(153)	(300)
Obligation under capital leases, end of year	254	407
Less current portion	77	194
Long-term obligation under capital leases	$ 177	$ 213

Minimum lease payments under the capital leases are as follows:

2001	$ 93
2002	106
2003	45
2004	35
2005	63
Total minimum lease payments	342
Less amount representing future interest	88
Net obligation under capital leases	$ 254

Interest rates on the leases range from 8.0% to 11.5%. Interest expensed during the year amounted to $36 (1999 - $39).

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Notes to Financial Statements - continued

Year ended June 30, 2000

9. Deferred grants:

(in thousands of dollars)

	Skills Training	Capital Assets	2000 Total	1999 Total
Beginning balance	$ 778	$ –	$ 778	$ 1,013
Amount received	2,548	270	2,818	2,018
Recognized as revenue in the year	(1,870)	–	(1,870)	(2,253)
Ending balance	$ 1,456	$ 270	$ 1,726	$ 778

Skills Training deferred grants represent unspent grants which are restricted to the Skills Training programs. Under these programs, the Department of Post-Secondary Education and Skills Training provides funding to enable SIAST to respond regionally to emerging skills shortages. Capital assets represents unspent grants for capital assets.

10. Deferred grants related to capital assets:

(in thousands of dollars)

	2000	1999
Beginning balance	$ 7,346	$ 7,133
Amortization	(1,096)	(1,102)
Assets purchased	2,293	1,315
Ending balance	$ 8,543	$ 7,346

Deferred grants relating to capital assets represent the unamortized portion of grant amounts expended for capital assets.

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Notes to Financial Statements - continued

Year ended June 30, 2000

11. Internally restricted net assets:

(in thousands of dollars)

	Equipment Renewal	Strategic Initiatives	2000 Total	1999 Total
Beginning balance	$ 623	$ 226	$ 849	$ 420
Current expenditures	(623)	–	(623)	(194)
Current restrictions	1,046	–	1,046	623
Ending balance	$ 1,046	$ 226	$ 1,272	$ 849

Budgeted figures exclude expenditures which were funded out of internally restricted net assets. Current year expenditures funded out of internally restricted net assets are $623 (1999 - $194). $1,046 (1999 - $623) has been transferred from unrestricted to internally restricted net assets to fund future expenditures.

12. Commitments:

SIAST has a number of operating lease commitments pertaining to land and buildings and equipment. The majority of land and buildings are leased on a continuing basis from the Saskatchewan Property Management Corporation (SPMC). The remaining land and buildings as well as the equipment are leased from various private lessors.

A summary of the future minimum operating lease commitments over the next five years is as follows:

(in thousands of dollars)

	Land and Buildings		Equipment	Total
	SPMC	Other Lessor	Other Lessor	
2001	$ 14,134	$ 928	$ 1,043	$ 16,105
2002	14,134	541	205	14,880
2003	14,134	–	–	14,134
2004	14,134	–	–	14,134
2005	14,134	–	–	14,134

SIAST is committed to providing annual funding toward professional development activities of in-scope academic and administrative support employees. The commitment for fiscal 2001 will be determined by a new collective agreement which is currently under negotiation, and will be effective July 1, 2000. The commitment for fiscal 2000 was $482,677.

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Notes to Financial Statements - continued

Year ended June 30, 2000

13. Change in non-cash working capital:

(in thousands of dollars)

	2000	1999
Accounts receivable	$ (1,783)	$ 1,271
Inventories	(568)	(106)
Prepaid expenses	107	1
Accounts payable and accrued liabilities	1,853	(2,646)
Salaries and benefits payable	551	(39)
Unearned revenue	(5,841)	5,869
Deferred grants	948	(235)
	$ (4,733)	$ 4,115

14. Financial assets and liabilities:

Cash and short-term investments, accounts receivable, accounts payable and accrued liabilities and salaries and benefits payable are all short-term in nature and as such their carrying value approximates fair value.

15. Related parties (in thousands of dollars):

Included in the financial statements are revenue and expenditure amounts resulting from routine transactions conducted at prevailing market prices with various Saskatchewan Crown-controlled departments, agencies and corporations with which SIAST is related. Account balances resulting from these transactions are included in the balance sheet and settled on normal trade terms. Other transactions with related parties are disclosed elsewhere in these statements.

During the year SIAST received revenue from the General Revenue Fund of the Province of Saskatchewan for operations and rent in the amount of $76,297 (1999 - $73,065). The Department of Post-Secondary Education and Skills Training through the General Revenue Fund also funds training on a contractual basis. During the year, $13,473 (1999 - $13,753) was received for these contractual programs.

SIAST also received revenue for contractual services from the Province of Saskatchewan regional colleges for $3,393 (1999 - $3,883). SIAST made payments to regional colleges totaling $302 (1999 - $752).

Included in facilities rental is $13,498 (1998 - $13,822) paid to SPMC for rent. These transactions are recorded at rates set by SPMC.

Included in services expenditures is $1,952 (1999 - $2,002) paid to SaskTel for communication services. These transactions are recorded at rates set by SaskTel.

The short-term investments set out in note 3 are held by the Department of Finance as custodian.

SASKATCHEWAN INSTITUTE OF APPLIED SCIENCE AND TECHNOLOGY

Notes to Financial Statements - continued

Year ended June 30, 2000

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15. Related parties (in thousands of dollars) - continued:

SIAST employees participate in various defined benefit and money purchase type pension plans. The majority of these are managed and administered by the Department of Finance. Employer grants for money purchase plans are included in expenditures in these financial statements. Employer obligations associated with the defined benefit pension plans are the responsibility of the General Revenue Fund of the Province of Saskatchewan.

Payments to other related agencies included: Public Employees Pension Plan $5,236 (1999 - $4,676), Public Service Superannuation Plan $379 (1999 - $445), Public Employees Dental Plan $635 (1999 - $619) and the Workers Compensation Board of Saskatchewan $260 (1999 - $296).

The Kelsey Foundation Inc. is a not-for-profit organization which operates to offer financial support to the students of SIAST Kelsey Campus. Funds solicited by the Foundation are used to provide scholarships directly to students and for equipment donated to SIAST Kelsey Campus for use in program delivery. For the Foundation's fiscal year ended December 31, 1999 donations in kind to SIAST Kelsey Campus were $360 (1998 - $559).

16. Expenditures by function:

Following is a summary of expenditures by function:

(in thousands of dollars)

	2000	1999
Programs	$ 72,743	$ 72,641
Facilities	15,317	15,774
Administration	16,348	16,322
Student services	8,496	8,435
Ancillary	5,592	5,430
	$ 118,496	$ 118,602

HILLSTEAD, MELANSON
ACCOUNTING AND TAX SERVICES

AUDITOR'S REPORT

To the Board of Governors of Southeast Regional College:

I have audited the statement of financial position of the Southeast Regional College as at June 30, 2000, and the statements of operations, changes in fund balances and cash flows for the year then ended. The college is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion these financial statements present fairly in all material respects, the financial position of Southeast Regional College as at June 30, 2000, and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Hillstead CGA

Hillstead, Melanson

Weyburn, Saskatchewan
September 14, 2000

Southeast Regional College
Statement of Financial Position
at June 30, 2000

	Operating Fund	Capital Fund	Scholarship Fund	2000	1999
	$	$	$	$	$
Assets					
Current Assets					
Cash	878,509			878,509	957,424
Cash, internally restricted funds (note 12)	590,128			590,128	780,441
Accounts Receivable (note 3)	552,684			552,684	248,158
Prepaid expenses	65,998			65,998	11,753
	2,087,319			2,087,319	1,997,776
Capital Assets (notes 2 & 4)		405,436		405,436	327,998
Deferred rent (note 8)		120,000		120,000	135,000
		525,436		525,436	462,998
	2,087,319	525,436		2,612,755	2,460,774
Liabilities					
Current Liabilities					
Accounts payable (note 5)	727,948			727,948	546,210
Accrued vacation pay (note 6)	107,488			107,488	106,864
Deferred revenue (note 11)	410,094			410,094	439,261
	1,245,530			1,245,530	1,092,335
Fund Balances (note 2)					
Unrestricted	251,661			251,661	125,000
Invested in capital assets		525,436		525,436	462,998
Internally restricted (note 12)	590,128			590,128	780,441
	841,789	525,436		1,367,225	1,368,439
	2,087,319	525,436		2,612,755	2,460,774

Jim Stangel

Approved on behalf of the Board

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Southeast Regional College
Statement of Operations
for the year ended June 30, 2000

	Operating		Capital		Scholarship			
	2000	1999 (note 15)	2000	1999	2000	1999	2000	1999
	$	$	$	$	$	$	$	$
Revenues (Schedule 1)								
Saskatchewan Post-Secondary Education and Skills Training	3,557,697	3,186,636		11,211			3,557,697	3,197,847
Federal Government	107,167	575,471					107,167	575,471
Other Revenue	1,855,921	1,827,272	15,108	7,399		629	1,871,029	1,835,300
Total revenues	**5,520,785**	**5,589,379**	**15,108**	**18,610**		**629**	**5,535,893**	**5,608,618**
Expenses (Schedule 2)								
Contractual & Professional Services	1,984,999	1,954,797					1,984,999	1,954,797
Rentals	268,383	257,710	(30,000)	(30,000)			238,383	227,710
Repairs and Maintenance	18,351	25,339					18,351	25,339
Amortization(notes 4 and 8)			172,348	280,783			172,348	280,783
Scholarship disbursements						4,155		4,155
Operating Expenses (Schedule 3)	816,190	829,748	635				816,825	829,748
Personal Services	2,306,201	2,317,698					2,306,201	2,317,698
Total expenses	**5,394,124**	**5,385,292**	**142,983**	**250,783**		**4,155**	**5,537,107**	**5,640,230**
Excess / (deficiency) of Revenue over expenditures	**126,661**	**204,087**	**(127,875)**	**(232,173)**		**(3,526)**	**(1,214)**	**(31,612)**

The accompanying notes form an integral part of these financial statements

Ted Hillstead, CGA

Southeast Regional College
Statement of Changes in Fund Balances
for the year ended June 30, 2000

	Invested in capital assets	Internally Restricted Funds	Unrestricted Funds	2000	1999
	$	$	$	$	$
Balance, beginning of the year	462,998	780,441	125,000	1,368,439	1,400,051
Excess/<deficiency> of revenue over expenses	(127,875)		126,661	(1,214)	(31,612)
Investment in capital assets	234,786	(234,786)			
Inter-fund transfers - to / (from)	(44,473)	44,473			
Balance, end of the year	525,436	590,128	251,661	1,367,225	1,368,439

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Southeast Regional College
Statement of Cash Flows
for the year ended June 30, 2000

	2000 $	1999 $
Cash from Operating activities		
Excess/(deficiency) of revenue over expenses		
-Operating Fund	126,661	204,087
-Capital Fund	(127,875)	(232,173)
-Scholarship Fund		(3,526)
Amortization of capital assets	172,348	280,783
Net change in non-cash working capital	(205,576)	603,391
Net cash generated through operating activities	(34,442)	852,562
Financing and investing activities		
Purchase of capital assets	(234,786)	(221,311)
Net cash used in financing and investing activities	(234,786)	(221,311)
Net increase/(decrease) in cash	(269,228)	631,251
Cash, beginning of the year	1,737,865	1,106,614
Cash, end of the year	1,468,637	1,737,865

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Schedule 1

Southeast Regional College
Schedule of Operating Fund Revenues by Function
year ended June 30, 2000

	Administration	Programming						
	General Revenue	Community & Individual Development	Adult Basic Education	Vocational Technical	University Credit	Student Services	2000	1999 (Note 15)
	$	$	$	$	$	$	$	$
Post-Secondary Education and Skills Training								
Admin Recovery	35,535		15,750	50,000			101,285	86,899
Base Grant	1,429,732						1,429,732	1,427,238
Program Payments			416,778	764,758		30,000	1,211,536	1,152,974
Other		7,343	126,743	563,847		117,211	815,144	519,525
	1,465,267	7,343	559,271	1,378,605		147,211	3,557,697	3,186,636
Federal Government								
Seat Purchases								54,921
Projects			62,136				62,136	494,977
Other	45,031						45,031	25,573
	45,031		62,136				107,167	575,471
Other								
Admin Recovery								24,714
Contracts		14,709	13,024	261,112		14,048	302,893	287,049
Interest	100,505						100,505	76,957
Rents	5,735						5,735	9,133
Resale Items	2,147	113,499	287	56,800	30,345		203,078	196,257
Tuition		529,894	96,308	421,255	189,362		1,236,819	1,217,885
Other	6,891						6,891	15,277
	115,278	658,102	109,619	739,167	219,707	14,048	1,855,921	1,827,272
Total Revenue	1,625,576	665,445	731,026	2,117,772	219,707	161,259	5,520,785	5,589,379
Total Expense (schedule 2)	1,156,748	933,818	705,706	2,085,389	308,164	204,299	5,394,124	5,385,292
Excess/<deficiency> of of revenue over expenses	468,828	(268,373)	25,320	32,383	(88,457)	(43,040)	126,661	204,087

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Schedule 2

.Southeast Regional College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2000

	General Administration			Programming						
	Board	Admin	Organization	Community & Individual Development	Adult Basic Education	Vocational Technical	University Credit	Student Services	2000	1999
	$	$	$	$	$	$	$	$	$	$
Contractual/Professional Services	3,708	98,513	180	297,486	68,305	1,329,857	185,426	1,524	1,984,999	1,954,797
Rentals	2,219	(1,850)	35	61,363	62,879	129,700	9,065	4,972	268,383	257,710
Repairs & Maintenance		3,097	32	15,202		20			18,351	25,339
Cperating (Schedule 3)	37,181	153,269	43,101	204,517	92,729	190,624	64,313	30,456	816,190	829,748
Personal Services	29,556	470,375	317,332	355,250	481,793	435,188	49,360	167,347	2,306,201	2,317,698
	72,664	723,404	360,680	933,818	705,706	2,085,389	308,164	204,299	5,394,124	5,385,292

Ted Hillstead, CGA

The accompanying notes form an integral part of these financial statements.

Schedule 3

Southeast Regional College
Schedule of Operating Expenses
for the year ended June 30, 2000

	2000	1999
	$	$
Operating Expenses		
Advertising	90,617	73,704
Association Fees and Dues	9,970	10,173
Bank Changes and Interest	2,218	1,892
Computer Software	7,974	10,062
Conference and Training Fees	4,528	6,537
Insurance	6,758	10,977
Materials and Supplies	110,658	115,781
Postal, Freight, and Courier	20,526	23,639
Printing and Duplicating	29,138	6,593
Resale Items	181,363	190,861
Small Equipment	27,442	7,776
Student Allowances	20,076	73,271
Subscriptions	3,461	1,799
Taxes and licenses		5,267
Telephone and Fax	94,188	102,506
Travel	188,512	160,115
Utilities	11,127	14,851
Other	7,634	13,944
	816,190	829,748

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Notes to the Financial Statements

1. General Information

The Southeast Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The Board of the Southeast Regional College is responsible for administering and managing the educational affairs of the College in accordance with *The Regional Colleges Act* and its regulations.

The College's objectives are to promote the social, economic and cultural development of Southeastern Saskatchewan by facilitating learning options in partnership with community groups and businesses.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles utilizing the restricted funds method of accounting for contributions.

a) Fund Accounting

Funds are a separate self-balancing set of accounts for each accounting entity established within the accounting system, which segregate the transactions of a particular activity, as follows:

i The Operating Fund accounts for the organization's program delivery and administrative activities. The fund reports unrestricted resources and restricted operating and program grants.

ii The Capital Fund reports the assets, liabilities, revenues and expenses related to the capital assets of the College.

iii The Scholarship Fund reports resources contributed for scholarships. Investment income and contributions are reported as revenue, and scholarships granted are reported as expenditures of this fund.

iv The College maintains Internally Restricted Funds designated by the Board for the following purposes:

Capital Purchases:	Funds are allocated for three categories of future capital requirements: Program Computer Enhancement, Program Equipment Enhancement and Facility Enhancement.
Other:	Other amounts are designated by the Board for specific purposes relating to future operations of the College. Funds in this category are: Program Development; to be used for development of existing and future programs to be offered by the College, and Education; to be used for professional development of College personnel.

Amounts transferred to, and disbursements from, these funds, are approved by the Board of Governors.

b) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight line basis over the estimated useful lives of the assets, and recorded as an expense in the capital fund, for the categories listed below:

Leasehold improvements	:	over the life of the lease, to which they relate.
Program equipment and office equipment	:	5 years.
Computer hardware and systems software	:	3 years.
Office furniture	:	10 years.

c) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund, in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund, in the year received.

Unrestricted contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated, and collection is reasonably assured.

Investment income earned from the resources of internally restricted funds, is recorded as income in the Operating Fund.

Tuition revenue is recognized as revenue of the Operating Fund in the period in which the related expenses are incurred.

3. Accounts Receivable

Accounts receivable are composed of the following:	2000 $	1999 $
Saskatchewan Post-Secondary Education & Skills Training	64,236	69,561
Government of Saskatchewan - other	42,394	43,767
Other less allowance for doubtful accounts (2000 - $2,367, 1999 - $5,798)	446,054	134,830
	552,684	248,158

4. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2000 $	1999 $	2000 $	1999 $	2000 $	1999 $
Leasehold improvements	164,151	141,147	75,094	67,370	89,057	73,777
Program equipment	262,844	257,004	188,727	159,171	74,117	97,833
Computer hardware - programs	632,497	526,584	516,403	444,297	116,094	82,287
Computer hardware - admin.	253,059	195,455	194,083	159,038	58,976	36,417
Office equipment	44,839	35,874	37,667	35,874	7,172	
Office furniture	68,464	68,464	36,849	30,780	31,615	37,684
System software	167,877	134,416	139,472	134,416	28,405	
	1,593,731	1,358,944	1,188,295	1,030,946	405,436	327,998

5. Accounts Payable

Accounts payable are composed of the following:	2000 $	1999 $
Saskatchewan Post-Secondary Education & Skills Training	5,190	
Government of Saskatchewan - other	133,138	58,793
Other	589,620	487,417
	727,948	546,210

6. Accrued Vacation Pay

Vacation pay of $107,488, (1999, $106,864) representing vacation earned by employees but not yet paid, has been calculated and recorded in the accounts.

7. Lease Commitments - Equipment and Buildings

The College has obligations for leases of office equipment and premises. Future minimum payments for the next five years total $501,753 with the following annual payments:

Year	$
2001	109,864
2002	99,562
2003	98,746
2004	97,070
2005	96,511

8. Deferred Rent

The college entered into a lease for facilities for a period of 10 years in 1998. A condition of the lease required an advance payment of $150,000 to the lessor of the premises. The payment has been recorded as deferred rent and will be amortized over the term of the lease at the rate of $15,000 per year.

9. Related Party Transactions

Included in these financial statements are revenue and expenditures resulting from routine operating transactions conducted at agreed rates with various Crown controlled departments, agencies and corporations, with which the College is related. Accounts balances resulting from these transactions are included in the statements of financial position and operations. These transactions are settled on normal trade terms.

Transactions with related parties, incorporated in these financial statements, include the following:

Significant payments to related parties during the fiscal year:	2000 $	1999 $
Association of Saskatchewan Regional Colleges	7,800	7,554
Saskatchewan Regional Colleges	29,221	
SIAST	912,372	665,834
Saskatchewan Property Management Corp.	88,147	99,917
Saskatchewan Telecommunications	91,194	100,410
University of Regina	58,171	104,650

Significant receipts from related parties during the fiscal year:	2000 $	1999 $
Association of Saskatchewan Regional Colleges		30,585
New Careers Corporation		14,000
SIAST	35,469	29,665
SCN	105,500	105,500
University of Regina	3,913	17,254

10. Pension Plans

Employees of the college are members of the Teachers' Superannuation Plan, the Saskatchewan Teachers Retirement Plan or a defined contribution plan established by the Southeast Regional College. The college's obligations under these arrangements are limited to matching employee's contributions of the defined contribution plan established by the Southeast Regional College. Pension contributions for 2000 totalled $80,544 (1999, $82,966).

11. Deferred operating grants and program payments

Deferred revenue represents restricted funding for operating grants and program payments received in the current period, for operations of the subsequent period. Changes in deferred revenue for the year, are as follows:

	2000 $	1999 $
Balance, beginning of year	439,261	316,937
Deduct: Amounts recognized as revenue during the year	(412,376)	(304,937)
Add: Amounts received during the year		
Tuition received in advance	1,830	4,830
Quick Skills	23,257	90,133
Saskatchewan Skills Extension Program	135,543	138,562
Labour Market Development Agreement	113,163	
Basic Education	15,000	

PTA administration fee	10,000	
Carpentry program	84,416	
Links to Employment		23,900
Family Literacy Project		13,795
Enhanced Counselling		20,093
Future Skills project funding		16,195
July, 1999 Operating grant		119,753
Balance, end of year	410,094	439,261

12. Inter-fund transfers and internally restricted net assets

The Board of Governors have placed internal restrictions on unrestricted net assets to be used for future expenditures. These internally restricted amounts are not available for other purposes without approval of the Board of Directors. In 2000, transfers of $105,913 from the Program Computer Fund and $84,400 from the Equipment and Facility Fund were made to the (Restricted) Capital Fund, to cover the net cost of additions to Capital Assets.

The changes in internally restricted funds for the year, are as follows:

Internally Restricted Funds	Program Computer Fund $	Equipment & Facility Fund $	Program Development Fund $	Educational Development Fund $	Total $
Balance, beginning of year	368,196	124,588	203,224	84,433	780,441
Transfer from operating fund					
Additions to fixed assets, (transferred to capital fund)	(105,913)	(84,400)			(190,313)
Inter-fund transfers - to / (from)					
Balance, end of year	262,283	40,188	203,224	84,433	590,128

13. Financial Instruments

Accounts receivable and accounts payable are all short term in nature, and as such, their carrying value approximates fair value.

The College is exposed to credit risk from non-payment of accounts receivable. Credit risk is minimal for amounts due from Saskatchewan Post-Secondary Education & Skills Training, the Government of Canada, and other educational institutions. All other receivables are reported at estimated net realizable value.

14. Actual vs Budget

	Budget 2000 $	Actual 2000 $
Revenue		
Saskatchewan Post-Secondary Education & Skills Training	2,927,034	3,557,697
Federal Government	12,000	107,167
Other	1,838,159	1,855,921
	4,777,193	5,520,785
Expenditure		
Contractual & professional	1,438,871	1,984,999
Rentals	239,058	268,383
Repairs & maintenance	40,584	18,351
Operating expenses	838,321	816,190
Personnel	2,295,448	2,306,201
	4,852,282	5,394,124
Excess (Deficiency) of Operating Fund revenues over expenditures	(75,089)	126,661
Excess (Deficiency) of Capital Fund revenues over expenditures	(189,756)	(127,875)
Total - Excess (Deficiency) of revenues over expenditures	(264,845)	(1,214)

15. Restated Amounts

Certain comparative year figures have been restated to conform with current year presentation.

Provincial Auditor Saskatchewan

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the University of Regina as at April 30, 2000 and the statements of operations and changes in fund balances and statement of cash flows for the year then ended. The University's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Fred Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
August 23, 2000 (except as Note 18b) which is as of September 12, 2000

Statement 1

University of Regina

Statement of Financial Position
As at April 30, 2000
With comparative figures for April 30, 1999
(in thousands of dollars)

	General	Restricted	Endowment	Total 2000	Total 1999
Current Assets					
Accounts receivable (Note 8)	$ 5,627	$ 4,010	$ 15	$ 9,652	$ 10,116
Inventories	2,222			2,222	2,348
Prepaid expenses	232	1		233	211
	8,081	4,011	15	12,107	12,675
Long Term Assets					
Long-term investments		9,728	12,253	21,981	19,459
Capital assets (Note 5)		98,095		98,095	92,888
	$ 8,081	$ 111,834	$ 12,268	$ 132,183	$ 125,022
Current Liabilities					
Bank Overdraft (Cash) (Note 4)	$ 8,354	$ (2,620)		$ 5,734	$ 1,936
Accounts payable and other accrued liablilities	1,893	746		2,639	6,677
Accrual for vacation pay and early retirement (Note 14)	2,412			2,412	2,638
Deferred income	1,762			1,762	1,505
Current portion of long-term debt (Note 6)		633		633	637
	14,421	(1,241)	0	13,180	13,393
Long Term Liabilities					
Long-term debt (Note 6)	200	11,729		11,929	13,438
Due to (from) other funds (Note 7)	579	(579)		0	0
Accrual for early retirement (Note 14)	358	0		358	719
	1,137	11,150	0	12,287	14,157
Fund Balances					
Externally restricted funds		18,479	$ 12,268	30,747	26,763
Internally restricted funds (Note 12)	2,639	1,027		3,666	1,368
Invested in Capital Assets		82,419		82,419	80,951
Unrestricted funds	(10,116)			(10,116)	(11,610)
	(7,477)	101,925	12,268	106,716	97,472
Total Liabilities and Fund Balances	$ 8,081	$ 111,834	$ 12,268	$ 132,183	$ 125,022

On Behalf of the Board of Governors

Chairperson of the Board

Vice-President (Administration)

The accompanying notes are an integral part of these financial statements.

Statement 2

University of Regina

Statement of Operations and Changes in Fund Balances
For the Year Ended April 30, 2000
With comparative figures for 1999
(in thousands of dollars)

	General	Restricted	Endowment	Total 2000	Total 1999
Revenues					
Government grants and contracts					
Government of Canada	$ 683	$ 4,918		$ 5,601	$ 5,303
Department of Post-Secondary Education & Skills Training	50,640	5,534		56,174	53,216
Other	689	4,258		4,947	3,077
Student fees	24,369	43		24,412	22,826
Contributions, gifts, donations and bequests	394	1,962	$ 217	2,573	2,037
Sales of services and products	12,763	794		13,557	12,782
Income from investments	152	1,085	1,494	2,731	865
Miscellaneous income	1,884	127		2,011	1,475
Income from operating leases (Note 16)		1,300		1,300	1,307
	91,574	20,021	1,711	113,306	102,888
Expenses					
Salaries					
Academic	30,323	92		30,415	30,998
Other	24,187	1,892		26,079	25,348
Employee benefits	7,153	131		7,284	6,809
Operational supplies and expenses	6,436	1,526		7,962	7,529
Travel	1,933	1,001		2,934	2,610
Cost of goods sold	3,767			3,767	3,907
Equipment, rental, maintenance & renovations	2,970	1,952		4,922	3,717
Utilities	4,427	41		4,468	4,697
Amortization of capital assets	391	8,300		8,691	7,982
Loss on disposal of capital assets	6	455		461	286
Scholarships, bursaries and prizes	2,719	3,131		5,850	4,398
Interest	456	711		1,167	1,232
Wascana Centre Authority levy	490			490	494
Bad debt expense	158			158	171
Change in early retirement and vacation pay accrual (Note 14)	(586)			(586)	(3,338)
	84,830	19,232	0	104,062	96,840
Net revenues (expenses)	6,744	789	1,711	9,244	6,048
Interfund transfers (Note 13)	(3,121)	2,924	197	0	0
Net increase (decrease) in fund balances for year	3,623	3,713	1,908	9,244	6,048
Fund balances, beginning of year	(11,100)	98,212	10,360	97,472	91,424
Fund balances, end of year	$ (7,477)	$ 101,925	$ 12,268	$ 106,716	$ 97,472

The accompanying notes are an integral part of these financial statements.

Statement 3

University of Regina

Statement of Cash Flows
For the Year Ended April 30, 2000
With comparative figures for 1999
(in thousands of dollars)

	General	Restricted	Endowment	Total 2000	Total 1999
Operating Activities					
Net revenues (expenses)	$ 6,744	$ 789	$ 1,711	$ 9,244	$ 6,048
Add back items not affecting cash:					
Amortization of capital assets	391	8,300		8,691	7,982
Unrealized (gains) losses on mutual funds		(853)	(1,259)	(2,112)	152
Loss on disposal of capital assets	6	455		461	286
Decrease (increase) in non-cash working capital	(972)	(2,451)	(16)	(3,439)	(1,283)
(Decrease) increase in long term accrual for early retirement	(361)			(361)	(216)
Cash generated by (used in) operating activities	5,808	6,240	436	12,484	12,969
Investing Activities					
Purchases of investments	(91,353)	(3,310)	(633)	(95,296)	(32,056)
Sales of investments	91,353	3,534		94,887	33,007
Purchases of assets:					
Land				0	0
Buildings	(51)	(6,824)		(6,875)	(2,516)
Site improvements	(21)	(616)		(637)	(1,806)
Furnishings and equipment	(1,072)	(4,222)		(5,294)	(2,499)
Software	(4)	(34)		(38)	(96)
Library resources	(1,516)			(1,516)	(1,796)
Sales of assets				0	0
Cash generated by (used in) investing activities	(2,664)	(11,472)	(633)	(14,769)	(7,762)
Financing Activities					
Acquisition of long-term debt	40			40	160
Repayment of long-term debt		(1,553)		(1,553)	(598)
Repayment of internal loans	(238)	238		0	0
Cash generated by (used in) financial activities	(198)	(1,315)	0	(1,513)	(438)
Net change in cash (bank overdraft)	2,946	(6,547)	(197)	(3,798)	4,769
Interfund Adjustments	(853)	656	197	0	0
Cash (bank overdraft), beginning of year	(10,447)	8,511	0	(1,936)	(6,705)
Cash (bank overdraft), end of year	$ (8,354)	$ 2,620	$ 0	$ (5,734)	$ (1,936)

The accompanying notes are an integral part of these financial statements.

University of Regina

Statement 4

Statement of Operations and Changes in Fund Balances for the General Fund
For the Year Ended April 30, 2000
With comparative figures for 1999
(in thousands of dollars)

	Operating	Vacation Pay Accrual Funded from Future Revenues	Ancillary	Special Projects	Total 2000	Total 1999
Revenues						
Government grants and contracts						
Government of Canada	$ 457			$ 226	$ 683	$ 528
Department of Post-Secondary Education & Skills Training	49,779			861	50,640	47,683
Other	334			355	689	628
Student fees	24,165		$ 7	197	24,369	22,801
Contributions, gifts, donations and bequests	293			101	394	224
Sales of services and products	3,940		7,835	988	12,763	12,365
Income from investments	54		98		152	124
Miscellaneous income	1,164		294	426	1,884	1,298
	80,186	0	8,234	3,154	91,574	85,651
Expenses						
Salaries						
Academic	29,986			337	30,323	30,734
Other	21,615		1,656	916	24,187	23,034
Employee benefits	6,922		160	71	7,153	6,342
Operational supplies and expenses	5,141		702	593	6,436	6,271
Travel	1,681		15	237	1,933	1,765
Cost of goods sold			3,767		3,767	3,907
Equipment, rental, maintenance & renovations	2,100		629	241	2,970	2,080
Utilities	4,196		223	8	4,427	4,659
Amortization of capital assets			391		391	426
Loss on disposal of capital assets			6		6	0
Scholarships, bursaries and prizes	2,505		7	207	2,719	2,434
Interest	6		450		456	429
Wascana Centre Authority levy	490				490	494
Bad debt expense	158				158	171
Change in early retirement and vacation pay accrual (Note 14)	(670)	84			(586)	(3,338)
	74,130	84	8,006	2,610	84,830	79,408
Net revenues (expenses)	6,056	(84)	228	544	6,744	6,243
Interfund transfers (Note 13)	(3,747)	0	858	(232)	(3,121)	(2,376)
Net increase (decrease) in fund balances for year	2,309	(84)	1,086	312	3,623	3,867
Fund balances, beginning of year	(5,260)	(1,918)	(4,170)	248	(11,100)	(14,967)
Fund balances, end of year	$ (2,951)	$ (2,002)	$ (3,084)	$ 560	$ (7,477)	$ (11,100)

The accompanying notes are an integral part of these financial statements.

University of Regina

Statement 5

Statement of Operations and Changes in Fund Balances for the Restricted Funds
For the Year Ended April 30, 2000
With comparative figures for 1999
(in thousands of dollars)

	Capital Asset	Research	Trust	Total 2000	Total 1999
Revenues					
Government grants and contracts					
Government of Canada	$ 277	$ 4,632	$ 9	$ 4,918	$ 4,775
Department of Post-Secondary Education & Skills Training	5,533		1	5,534	5,533
Other	1,600	2,573	85	4,258	2,449
Student fees		43		43	25
Contributions, gifts, donations and bequests	300	20	1,642	1,962	1,647
Sales of services and products	49	745		794	417
Income from investments	62		1,023	1,085	698
Miscellaneous income		42	85	127	177
Income from operating leases (Note 16)	1,300			1,300	1,307
	9,121	8,055	2,845	20,021	17,028
Expenses					
Salaries					
Academic		92		92	264
Other		1,762	130	1,892	2,311
Employee benefits		127	4	131	467
Operational supplies and expenses	87	1,306	133	1,526	1,249
Travel		994	7	1,001	845
Equipment, rental, maintenance & renovations	1,588	345	19	1,952	1,637
Utilities	1	39	1	41	38
Amortization of capital assets	8,300			8,300	7,556
Loss on disposal of capital assets	455			455	286
Scholarships, bursaries and prizes		1,001	2,130	3,131	1,964
Interest	703		8	711	803
	11,134	5,666	2,432	19,232	17,420
Net revenues (expenses)	(2,013)	2,389	413	789	(392)
Interfund transfers (Note 13)	3,481	339	(896)	2,924	2,385
Net increase (decrease) in fund balances for year	1,468	2,728	(483)	3,713	1,993
Fund balances, beginning of year	80,951	5,685	11,576	98,212	96,219
Fund balances, end of year	$ 82,419	$ 8,413	$ 11,093	$ 101,925	$ 98,212

The accompanying notes are an integral part of these financial statements.

University of Regina

Notes to the Financial Statements
For the Year Ended April 30, 2000
With comparative figures for 1999
(in thousands of dollars)

1. *Authority and Purpose*

The University of Regina became an autonomous institution on July 1, 1974 by an Act of the Saskatchewan Legislature. Its authority is *The University of Regina Act*, Chapter U-5, of the Province of Saskatchewan. The University is a registered charitable organization under the *Income Tax Act.*

The purpose of the University is the preservation, transmission, interpretation and enhancement of the cultural, scientific and artistic heritage of the human race, and the acquisition and expansion of new knowledge and understanding.

2. *Summary of Significant Accounting Policies*

These financial statements have been prepared in accordance with generally accepted accounting principles as set out by the Canadian Institute of Chartered Accountants (CICA).

(a) Fund Accounting

The University follows the restricted fund method of accounting for contributions. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The Statement of Operations and Changes in Fund Balances shows the total revenues and expenses of the University, after elimination of interfund transactions with ancillaries and internal cost recoveries. The University has classified accounts with similar characteristics into major funds as follows:

i) The General Fund accounts for the University's program delivery, service and administrative activities. This fund reports unrestricted resources. The General Fund is further classified as Operating, Vacation Pay Accrual Funded from Future Revenues, Ancillary, and Special Projects.

- General – Operating Fund contains the academic, administrative and operational costs that are funded by tuition and related fees, government grants, investment and miscellaneous income, and sales of goods and services to external parties. As such, this Fund reports unrestricted resources and restricted resources earmarked for general operating purposes.

- General - Vacation Pay Accrual Funded from Future Revenues Fund records the amount of unpaid vacation pay for academic and non-academic staff which will be funded from future revenues.

- General - Ancillary Fund is composed of Ancillary Enterprises that provide goods and services to the University community. They are composed of the Bookstore, College West Residence, Printing Services, Parking, Food Services, Language Institute Residence, Language Institute Food Services, automated teller machines, confectionery store, and coffee shop. Ancillary Enterprises operate on a fee-for-service basis and must be self-funding. Charges to other University funds are eliminated for financial statement purposes by removing them from Ancillary revenues and expenses.

- General - Special Projects Fund consist of a number of individual accounts used to track operating projects' costs and recoveries in one place. These projects involve consulting, training, time-limited projects, or other.

ii) **The Restricted Fund** reports only restricted resources that are to be used for specific purposes. The Restricted Fund is further classified as Capital Asset, Research, and Trust.

- Restricted -Capital Asset Fund consists of grants, gifts, interest and rental income used to acquire capital assets and repay long-term debt on certain capital assets.
- Restricted -Research Fund consists of grant and contract income and expenses specifically identified for research or related activities as restricted by granting agencies, research institutes and other public and private organizations.
- Restricted - Trust Fund consists of externally restricted resources that may be used in their entirety within the restrictions established by the provider of the funds. The bulk of these funds are restricted for the provision of scholarships or annual lectures.

iii) **The Endowment Fund** reports resources contributed for endowment. Restrictions placed on the fund by the original provider preclude the original fund balance from being spent.

(b) Use of Estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(c) Capital Assets

Purchased capital assets are recorded at cost. Donated assets are reported at fair market value when received by the University. The University capitalizes all assets costing more than $2 and all computer-related assets costing more than $.5, except library resources, which are capitalized regardless of cost. The University capitalizes upgrades to buildings and site improvements greater than $10, except for Ancillary Enterprises, which have all upgrades capitalized regardless of cost. Assets costing less than these thresholds are expensed in the year purchased.

Capitalized assets are amortized on a straight line basis over their estimated useful lives as follows:

Buildings	- temporary	20 years
	- permanent	40 years
Site Improvements		10 to 40 years
Furnishings and equipment		3 to 30 years
Software		3 to 8 years
Library resources		10 years

University of Regina

Notes to the Financial Statements
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Amortization of Ancillary assets is recorded in the General - Ancillary Fund. All other amortization is recorded in the Restricted - Capital Asset Fund.

An estimate for disposals or withdrawals of library holdings for superseded, poor condition, irrelevant, lost or stolen books is calculated at 1.05 percent of the net capitalized value of library holdings at the end of the preceding year.

Collections are not capitalized or amortized. All additions to collections are expensed in the year purchased.

The original land that was transferred to the University when it became a separate legal institution is reported on the statement of financial position at a nominal value of $1. This land includes 20 acres at the College Avenue Campus and 357 acres at the Main Campus. In 1989, the Main Campus was appraised by Crown Appraisals of Regina at four dollars per square foot for a total value of $62,204.

During the year, the University transferred a parcel of land totaling 32.6 acres to SIFC to accommodate their proposed new building. The value of this land is estimated at $8,500.

(d) Investments

i) Gains or losses on disposal are recorded in the year of disposal.

ii) Mutual funds are recorded at fair market value. Both realized and unrealized gains and losses are recognized as changes in the market values occur.

iii) Other investments are carried at cost.

(e) Inventories

Inventories are valued at the lower of cost and net realizable value which is principally determined by the first in, first out method.

(f) Donations

Donations are recorded as revenue in the fiscal period in which they are received. Gifts-in-Kind, including works of art, equipment, investments and library holdings are recorded at fair market value on the date of their donation.

(g) Pledges and bequests

Pledges and bequests are recorded as contributions in the period when pledged or bequeathed if the amounts to be received can be reasonably estimated and if collection is reasonably assured.

Pledges and bequests of $461 (1999 - $2,423) were not included in the financial statements because their ultimate collection cannot be reasonably assured.

(h) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other externally restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Endowment Fund resources is recorded in the appropriate fund, depending on the external restriction placed on that income. If it must become part of the endowment amount, it is recognized as revenue of the Endowment Fund. If it may be spent for a restricted purpose, it is recorded as revenue of that restricted fund. If there are no restrictions on the income, it is reported as income of the General Fund. Other investment income is recognized as revenue of the General Fund when earned.

3. *Collections*

a) Collection of Rare Books, Records and Papers

The University Library maintains a collection of rare books and runs of bound old magazines. The collection is increased either by purchases or donations, which are minimal. The University does not dispose of items in this collection.

The University of Regina Archives collects the official records of the University of Regina, and private papers in various disciplines. The University Archives currently does not purchase or sell any items. All records and papers are transferred or donated.

b) Art Collection

The MacKenzie Art Gallery manages part of the University's art collection as described in note 17 to these financial statements. The University also owns various works of art including paintings, banners, sculptures, and drawings. Additions to and disposals of our collection are few.

c) Collection of Geographical Maps

The University's map library is a reference library containing maps, air photos, atlases, globes and documents on cartography and land use. Most additions come in the form of donations from government and private individuals. It is also a depository for the National Topographic Survey, who sends new and revised maps to the library monthly. The map library does not sell any items in its collection.

4. *Bank Overdraft*

The University's revolving overdraft at the Canadian Imperial Bank of Commerce is secured by hypothecation of grant revenue.

University of Regina

Notes to the Financial Statements
For the Year Ended April 30, 2000
With comparative figures for 1999
(in thousands of dollars)

5. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2000	1999	2000	1999	2000	1999
Land	$ 58	$ 58	$ 0	$ 0	$ 58	$ 58
Buildings	109,040	103,342	42,789	40,545	66,251	62,797
Site Improvements	21,580	20,944	8,663	7,908	12,917	13,036
Furnishings & Equipment	29,310	25,814	21,652	20,700	7,658	5,114
Software	2,675	2,647	865	522	1,810	2,125
Library Resources	34,825	33,662	25,424	23,904	9,401	9,758
	$197,488	$186,467	$99,393	$93,579	$98,095	$92,888

At year end, the University had $5,386 in building and site improvement upgrades that were in progress. These upgrades are capitalized but not amortized at year end.

During the year, the University disposed of the following amounts of assets:

- Library Resources with an original cost of $353 (1999 – $338), in accordance with the policy described in note 2(c);
- Software with an original cost of $10 (1999 - $0);
- Buildings with an original cost of $1,178 (1999 - $490). The University made some major replacement upgrades;
- Furnishings and Equipment with an original cost of $1,798 (1999 - $1,209).

6. Long-Term Debt

Title of Issue	Interest Rate	Annual Repayment Terms	2000	1999
College West Residence Building Debenture, will be paid off Dec. 31, 2024, secured by building	7.25%	$ 155 principal & interest	$ 1,780	$ 1,805
Information Systems Management Building Mortgage, due Sept. 1, 2001, will be paid off Sept. 1, 2011, secured by land and building	6.97%	$ 945 principal & interest	7,461	7,877
Daycare Centre Long-Term Loan, due Jan. 1, 2004, will be paid off Jan 1, 2019	8.53%	$54 principal & interest	507	517
Long-Term Loan on 2 Research Drive Building, paid off Oct. 6, 1999	9.05%	$ 45 principal, interest compounded quarterly	0	961
Riddell Centre Building Loan, due May 1, 2002, will be paid off May 1, 2011	6.29%	$309 principal & interest	2,614	2,755
Sasktel New Media Fund Inc distance learning loan	15% total	None	200	160
			12,562	14,075
Less Current Portion			(633)	(637)
			$11,929	$13,438

The interest and principal repayments for the next five years are:

	Interest	Principal
2000/01	830	633
2001/02	786	678
2002/03	739	725
2003/04	688	778
2004/05	634	830

7. *Due To/From Other Funds*

Purpose and Funds Involved	Interest Rate	Annual Repayment Terms	2000	1999
Physical Activities Lifestyle Centre loan from Restricted - Capital Asset to General – Operating, paid off April 30, 2000	6.50%	$ 67 principal, interest paid once per year	$ 0	$ 67
DEC network loan from Restricted – Capital Asset to General – Operating, will be paid off April 30, 2003	6.00%	$211 blended principal and interest each year, paid monthly	579	749
			579	816
SCT software loan from Restricted - Trust to Restricted – Capital Asset, will be paid off April 30, 2001	6.25%	$ 100 principal, interest paid once per year	100	200

8. *Accounts Receivable*

Accounts receivable are composed of the following:

	2000	1999
Accounts receivable	$ 8,530	$ 8,672
Loans receivable	43	44
Pledges receivable	1,534	2,061
Less Allowance for doubtful accounts	(455)	(661)
Net receivables	$ 9,652	$ 10,116

9. *Financial Instruments*

a) Significant financial instruments, terms and conditions:

The University's significant financial instruments consist of accounts receivable, accounts payable, investments in mutual funds and bank indebtedness, including mortgages and line of credit. There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing, or certainty of future cash flows. Significant terms and conditions for the long-term financial instruments are disclosed separately in these notes.

b) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The University is exposed to market risk due to its investment in

University of Regina

Notes to the Financial Statements
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equity mutual funds. This risk is minimized by investing with a reputable company who maintains a diversified portfolio.

c) Cash flow risk:

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The University is exposed to cash flow risk due to interest rate changes for its investment in money market and bond mutual funds and bank overdraft.

d) Credit risk:

Credit risk is the risk that the party owing the University money will fail to discharge that responsibility. The University is exposed to credit risk from the potential non-payment of accounts receivable and non-return of money invested in mutual funds. The maximum credit risk exposure is equal to the amounts disclosed on the Statement of Financial Position.

Approximately 13% (1999 - 16%) of the University's receivables are from students and employees. The credit risk from these is minimal as the University has various methods of recourse for collection such as withholding transcripts, certificates or degrees and payroll deduction.

Approximately 20% (1999 - 9%)of the University's receivables are from the three federated colleges on campus, which are related parties. See also note 17 to these financial statements.

The other 67% (1999 - 75%) of receivables are from the federal government, not-for-profit organizations, corporations and other universities.

The pledges receivable are from reputable corporations with a history of paying what they have pledged to the University.

The University minimizes credit risk related to mutual funds by investing with a reputable company.

e) Fair Value:

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term nature:
  - cash
  - accounts receivable
  - accounts payable
- The fair value of investments is considered to approximate the disclosed market values.
- The fair values of mortgages as at April 30, 2000 are shown in the table below. These fair values are determined using discounted cash flow analysis based on current incremental borrowing rates for similar borrowing arrangements.

College West Building	$1,667
ISM Building	7,102
Daycare Centre	526
Riddell Centre	2,392

These values will fluctuate as market interest rates change.

University of Regina

Notes to the Financial Statements
For the Year Ended April 30, 2000
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10. *Pension Plans*

The University is responsible for the administration of two contributory defined benefit pension plans, the Pension Plan for the Academic and Administrative Employees of the University of Regina and the Non-Academic Pension Plan. Actuarial valuations are completed regularly as prescribed by statute. The University contributes to its defined benefit Pension Funds the amounts recommended by the actuaries with minimum amounts specified in accordance with the plans and in the collective bargaining agreements. The assets including any potential surplus in the plan are for the benefit of the members and their beneficiaries. There is no provision that allows for the withdrawal of surplus by the University.

The Pension Plan for the Academic and Administrative Employees of The University of Regina is a defined benefit final average pension plan. An actuarial valuation, using the accrued benefit actuarial cost method, was performed on this plan as at December 31, 1999. The present value of accumulated benefits resulting from services provided to December 31, 1999 was $175,714 (1998 - $170,246). This amount less assets of $232,593 (1998 - $213,239) based on market related values, resulted in an actuarial surplus of $56,879 at December 31, 1999 (1998 - $42,993). Pension expense of $2,383 (1999 - $2,256) related to this plan is included in these financial statements.

On April 20, 1999, the Board approved, in principle, that this plan be closed to new members as of December 31, 1999. The Board agreed to enter into negotiations with the University of Regina Faculty association to discuss implementing a defined-contribution pension plan for academic and administrative employees who join the University on or after January 1, 2000.

The University of Regina Non-Academic Pension Plan is also a defined benefit final average pension plan. An actuarial valuation, using the accrued benefit actuarial cost method, was performed on this plan as at December 31, 1998 and extrapolated to December 31, 1999. The present value of accumulated benefits resulting from services provided to the valuation date was $40,025 (1998 - $37,797). This amount less assets of $52,225 (1998 - $47,307) based on market values, resulted in an actuarial surplus of $12,200 at December 31, 1999 (1998 - $9,510). Pension expense of $609 (1999 - $583) related to this plan is included in these financial statements.

In addition, the University is also responsible for the administration of a defined contribution pension plan, the University of Regina Pension Plan for Eligible Part Time Employees. The University matches contributions to this pension fund and has no further liability for the pensions of its members. Pension expense of $5 (1999 - $11) related to this plan is included in these financial statements.

11. *Expenses by Function*

	2000	1999
Instruction	$ 42,751	$ 44,875
Library	3,454	3,622
Computing & AV	2,548	1,984
Admin and General	14,530	7,130
Physical Plant	8,028	8,520
Student Services	2,903	2,746
Ancillary	8,006	8,218
Special Projects	2,610	2,313
Capital	11,134	10,405
Research	5,666	5,003
Trust & Endowment	2,432	2,024
Total Expenses	$ 104,062	$ 96,840

12. *Fund Balances*

a) Internally restricted fund balances

Funds involved and policy:	2000	1999
General – Operating: Certain faculties and departments who underspend their budgets in one year may carry forward this amount and spend it in the following year.	$ 5,163	$ 4,432
General – Ancillary: Ancillary operations must be self-funding. Positive fund balances are used by ancillaries while negative fund balances must be recovered.	(3,084)	(4,170)
General – Special Projects: Positive fund balances must be used by the special project.	560	248
General Fund total	$ 2,639	$ 510
Restricted – Research: Certain research is sponsored by various faculties and departments within the University.	$ 1,027	$ 858
Restricted Fund total	$ 1,027	$ 858

b) General - Operating Fund Balance

The General – Operating Fund is in an accumulated deficit position.

Between 1996 and 1998, the Board made two important decisions that increased the University's expenses, deficits and accumulated deficits in those years. In 1996-97, the Board put in place a Faculty Renewal/Voluntary Severance Plan to help rejuvenate the University's teaching and research human resources. In 1997-98, the Board approved the purchase of a new computer system for the University's library to prepare for the year 2000 and to help the library interface with other libraries. The Board intends to recover these costs over the next few years.

The following schedule sets out the status of these recoveries.

	2000	1999	Reduction in Accumulated Deficit
Faculty Renewal/Voluntary Severance Plan (FR/VSP)	$ 2,848	$ 3,754	$ 906
Library Voyager System	371	606	235
Historical Accumulated Deficit	(268)	900	1,168
Accumulated Deficit	$ 2,951	$ 5,260	$ 2,309

University of Regina

Notes to the Financial Statements
For the Year Ended April 30, 2000
With comparative figures for 1999
(in thousands of dollars)

13. *Interfund Transfers*

Each year, the University transfers amounts between its funds for various purposes. These include funding capital asset purchases, and reassigning fund balances to support certain activities.

	General Funds					Restricted Funds					Endowment	
Description of Interfund Transfer	Operating	Ancillary	Special Projects	2000 Total	1999 Total	Capital Asset	Research	Trust	2000 Total	1999 Total	2000 Total	1999 Total
Support for capital asset purchases	$ (3,251)	$ 153	$ (53)	$ (3,151)	$ (2,490)	$ 3,245	$ (94)	$ 0	$ 3,151	$ 2,490		
Ancillary support of Operating	250	(250)		0	0							
Lease profit	140			140	110	(140)			(140)	(110)		
Support for Ancillary over-contribution to Riddell Centre construction costs	(500)	1,100		600	0			(600)	(600)	0		
Support for central computing assets	614			614	574	(614)			(614)	(574)		
Special initiatives money to support library computer system	235		(235)	0	0							
Ancillary administration fee	171	(171)		0	0							
Support for the construction of 72kV substation	(239)			(239)		239			239	0		
Support for the purchase of Physical Plant assets	(495)			(495)	(325)	495			495	325		
Support for Faculty Renewal/Voluntary Severance Plan	(87)	87		0	0					0		
Other miscellaneous transfers	(585)	(61)	56	(590)	(245)	256	433	(296)	393	254	$ 197	$ (9)
	$ (3,747)	$ 858	$ (232)	$ (3,121)	$(2,376)	$ 3,481	$ 339	$ (896)	$ 2,924	$ 2,385	$ 197	$ (9)

14. *Vacation Pay and Early Retirement Accruals*

In 1997/98, the Board approved a new early retirement program called the Faculty Renewal – Voluntary Severance Program. The program provides for lump-sum payouts over the subsequent three years based on the retiree's annual salary and other monthly benefits (e.g., maintenance of life insurance, dental premiums). These lump-sum payouts and monthly benefits are accrued at their present value as follows:

	Vacation Pay Accrual	Provision for Early Retirements	Total
Balance, April 30, 1998	1,857	4,837	6,694
Increase (decrease) during year	61	(3,398)	(3,337)
Balance, April 30, 1999	1,918	1,439	3,357
Increase (decrease) During year	84	(671)	(587)
Balance, April 30, 2000	2,002	768	2,770
Less long-term portion	0	(358)	(358)
	$ 2,002	$ 410	$ 2,412

15. *Budget Versus Actual for 2000*

General - Operating Fund:

The University of Regina budgets for the change in the accumulated fund balance (deficit).

	Budget	Actual
Revenues	$ 76,407	$ 80,186
Expenses	(74,227)	(74,130)
Net revenues (expenses)	2,180	6,056
Interfund Transfers	(1,680)	(3,747)
Net increase (decrease) in fund balance for year	$ 500	$ 2,309

The University's revenue budget of $76,407 is net of interfund transfers of $516 and internal operating recoveries of $3,985.

The University's expense budget of $74,227 is net of the deficit reduction provision of $500, library acquisitions of $2,196, and internal operating recoveries of $3,985.

The Interfund transfer budget is comprised of the $516 excluded from the revenue budget, and library acquisitions of $2,196.

General - Ancillary Fund:

	Budget	Actual
Revenues	$ 10,054	$ 8,234
Expenses	(9,976)	(8,006)
Net revenues (expenses)	78	228
Interfund Transfers	(250)	858
Net increase (decrease) in fund balance for year	$ (172)	$ 1,086

General - Special Projects Fund:

The University expected no change in the fund balance. It expects revenues to be sufficient to cover expenses incurred. There was actually an increase in fund balance during the year of $312.

Restricted - Capital Asset Fund:

The Restricted – Capital Asset Fund budget sets out expected government grant revenues from the Department of Post-Secondary Education & Skills Training of $5,573 for capital projects. The University actually received $5,533. The University does not budget for expected income from operating leases, investments, other government grants and contracts, or contributions, gifts, donations and bequests. Revenues from those sources totaled $3,311.

The University expected to spend $5,973 on capital asset purchases and rental, maintenance, renovations and Restricted – Capital Asset Fund related expenditures. Actual expenses (net of unbudgeted capital asset amortization of $8,300) totaled $2,834. The University also purchased assets totaling $11,696 which were capitalized and not expensed.

The University does not budget for interfund transfers in the Restricted - Capital Asset Fund.

Restricted - Research Fund:

The University expected no change in the fund balance. There was actually an increase in fund balance during the year of $2,728.

Restricted - Trust Fund:

The University expected no change in the fund balance. There was actually a decrease in fund balance during the year of $483.

Endowment Fund:

The University does not budget for the endowment fund since revenues are primarily dependent upon contributions, gifts, donations and bequests.

16. *Operating Leases*

The University currently leases out three buildings. The following table discloses information about these properties.

	ISM Building		2 Research Drive Building		Daycare Building	
	2000	1999	2000	1999	2000	1999
Capital cost	$ 8,980	$ 8,980	$ 1,107	$ 1,107	$ 577	$ 577
Accumulated amortization	2,021	1,796	134	106	86	71
Amortization expense	225	225	28	28	15	15
Outstanding debt	7,461	7,877	0	961	507	517
Principal & interest paid	945	945	1,005	134	54	54
Income from Operating Leases	1,160	1,160	86	93	54	54

17. *Related Party Transactions*

a) Government of Saskatchewan

The University receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its Board of Governors members appointed by the Government of Saskatchewan. To the extent that the government exercises significant influence over the operations of the University, all Saskatchewan Crown agencies, such as corporations, boards and commissions, are considered related parties to the University.

Operating and capital grants received from the Department of Post-Secondary Education and Skills Training are disclosed separately in the Statement of Operations and Changes in Fund Balances.

During the year, the University's Faculty of Administration received an additional loan of $40 from Sasktel New Media Fund Inc (SNMF). The total loan of $200 is to help finance the development of an internet website for the purposes of providing a distance learning component to the Faculty of Administration Senior Police Executive Education Development program. Based on the financial success of the program, the University agrees to repay the initial investment to SNMF, plus a 15% return on the initial investment.

The University currently leases land to the Saskatchewan Opportunities Corporation (SOCO). The lease is for 99 years at one dollar per year expiring on June 30, 2097. The land shall be used for and devoted to research and technology development activities.

Routine operating transactions with Government of Saskatchewan related parties are recorded at the standard or agreed rates charged by those organizations and are settled on normal trade terms. The larger of these expenditures are as follows:

	2000	1999
Sask. Power Corporation	$ 2,467	$ 2,458
Sask. Energy	69	62
Sask. Telecommunications	747	557
Sask. Property Management Corporation	169	154
University of Saskatchewan	182	229
Sask. Workers Compensation	122	111
Sask. Institute of Applied Science and Technology	77	121
Saskatchewan Centre of the Arts	36	35

At year end, the University had accounts payable to the above organizations totaling $253 (1999 - $233). The University had an account receivable from the University of Saskatchewan of $0 (1999 - $383). Otherwise, the University had no significant accounts receivable from these organizations at either year end.

b) University of Regina Crown Foundation

The University is also related to the University of Regina Crown Foundation through representation on the Foundation's Board of Trustees. The Foundation is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University for the purpose of supporting and promoting its education or research activities. It is currently not being used for this activity due to changes in income tax laws. As at the end of the year, the Foundation had no net assets.

c) Canadian Universities Reciprocal Insurance Exchange

The University of Regina is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public liability insurance risks of its members. All members pay annual deposit premiums that are actuarially determined and are subject to further assessment in the event members' premiums and reserves are insufficient to cover losses and expenses. No additional assessment was necessary for the current year. As of December 31, 1999, CURIE had a surplus of $10,600 (1998 - $10,928). During the year, the University received a payment of $25 (1999 - $33) from CURIE.

d) MacKenzie Art Gallery Inc.

The Gallery is custodian of a collection of artwork that is the property of the University. The University provides funding to the Gallery, which can be reduced if the government grant to the University is reduced. The Gallery's Board contains two members appointed by the University. The University holds certain money in trust for the Gallery. Income earned on this money is, from time to time, paid to the Gallery to be used to purchase additional works of art to add to the Collection and for the cleaning and restoration of works comprised in the Collection. The University also provides other operating services to the Gallery such as audio visual, printing, and payroll services. The Gallery reimburses the University for these services.

During the year, the University applied grant money of $395 (1999 - $391) against the Gallery's receivable and paid $4 (1999 - $203) to the Gallery. The Gallery paid the University $536 (1999 - $711) for services rendered.

Amounts payable to and receivable from the Gallery were minimal at each year end.

The Gallery has given the University money to invest on its behalf in order to get better investment income. At year end, the balance of this investment, including accumulated interest totals $700 (1999 - $615) This amount is not included in the University's financial statements. The University does not charge the Gallery for this service.

University of Regina

Notes to the Financial Statements
For the Year Ended April 30, 2000
With comparative figures for 1999
(in thousands of dollars)

e) Wascana Centre Authority

On April 1, 1962, the Wascana Centre Authority was constituted a body corporate under *The Wascana Centre Act*. The Government of Saskatchewan, the City of Regina and the University were named as participating parties. The University has a statutory obligation to the Authority for the cost of landscape construction and landscape maintenance performed on University owned land. Following is information regarding payments made to the Authority as prescribed by the Act.

	2000	1999
Maintenance - Authority Land	$ 222	$ 284
Maintenance - University Land	173	213
Other miscellaneous payments	191	104
	$586	$ 601

The University received grants of $228 (1999 - $209) from the Department of Post-Secondary Education and Skills Training to help fund the above payments to the Wascana Centre Authority.

The University follows Wascana Centre Authority bylaws when policing its parking lots and meters. The University's tickets are turned over to the City of Regina for collection. The City of Regina sends the ticket revenue to Wascana Centre Authority, who forwards it to the University. During the year, Wascana Centre Authority paid the University $67 (1999 - $75) in ticket revenue.

f) Federated Colleges

Three colleges located on the main campus - Campion College, Luther College and the Saskatchewan Indian Federated College (SIFC) are federated with the University but are financially and administratively independent. Students interested in registering in a federated college must meet the general entrance requirements of the University of Regina. Courses offered by the University and the colleges are open to all students. The University's Board of Governors sets the tuition rates that must be paid by all students. Degrees are granted by the University when students have completed all requirements. The University has agreements with the three colleges that determine how student fees are shared.

The following receipts and receivables resulted from the fee share agreements:

	2000	1999
Receipts from Campion College	$ 719	$ 1,135
Receipts from Luther College	1,207	1,043
Receipts from SIFC	0	100
	$ 1,926	$ 2,278
Receivable from Campion College at year end	$ 590	$ 50
Receivable from Luther College at year end	31	112
Receivable from SIFC at year end	457	270
	$ 1,078	$ 432

The University also provides other operating services to the colleges such as telephone, audio visual, library book purchasing, printing, and payroll services. The colleges reimburse the University for these services.

The following receipts and receivables resulted from these operating services:

	2000	1999
Receipts from Campion College	$ 358	$ 406
Receipts from Luther College	597	748
Receipts from SIFC	0	361
	$ 955	$1,515

	2000	1999
Receivable from Campion College at year end	$ 29	$ 1
Receivable from Luther College at year end	170	212
Receivable from SIFC at year end	427	125
	$ 626	$ 338

The University holds a number of trust funds on behalf of SIFC and Luther. The University also has other small agreements with the colleges. As a result of these, the University made payments to the colleges during the year as follows:

	2000	1999
Payments to Luther College	$ 86	$ 95
Payments to SIFC	1,147	403
Payments to Campion College	51	244

g) Petroleum Technology Research Centre

The Petroleum Technology Research Centre (PTRC) is a federally incorporated not-for-profit organization. Its founding participants include The University of Regina, The Saskatchewan Research Council (SRC), Natural Resources Canada (NRCan) and Saskatchewan Energy and Mines.

During the year, the University received $1,600 in funding from the PTRC for the acquisition of equipment to be placed in the PTRC building being constructed on campus. The University will own the equipment and is to be used in the research and development activities associated with the PTRC.

The University also employs professors who carry out PTRC related research. These professors will remain employees of the University of Regina. The University has an agreement with NRCan whereby NRCan will reimburse the University for part of these professors' salaries and benefits. This reimbursement is recorded when received. The PTRC member who will be the recipient of the benefits of the research will be determined on a project by project basis.

It is not possible to quantify the University's contribution to the PTRC in the research areas.

h) Saskatchewan Population Health Evaluation and Research Unit

The University has signed a ten-year memorandum of understanding with the Saskatchewan Population Health Evaluation and Research Unit (SPHERU) whereby the University agrees to provide administrative and research support services to employees of SPHERU in return for an annual contribution of $80.

The University of Regina exercises significant influence over SPHERU by way of 25% of SPHERU's board of directors being comprised of members from the University who will be involved in the policy making process. SPHERU was established to increase Saskatchewan's overall health research capacity with an emphasis on population health and evaluation research.

SPHERU was incorporated under the Not for Profit Corporations Act on July 9, 1999. SPHERU expects to receive one time funding of $250 from the Medical Research Council, and annual funding of $250 from Saskatchewan Health and $250 from Health Services Utilization Research Commission (HSURC).

18. *Subsequent Events*

a) On April 20, 1999, the Board of Governors approved, in principle, that the Academic and Administrative Pension Plan be closed to new members as of December 31, 1999. The Board agreed to enter into negotiations with the University of Regina Faculty Association to discuss implementing a defined-contribution pension plan for academic and administrative employees who join the University on or after January 1, 2000.

On December 23, 1999, the University and the Faculty Association signed a Memorandum of Agreement (MOA) which agreed that the University would amend the Academic and Administrative Pension Plan by adding a new defined contribution component for employees who joined on or after January 1, 2000.

In addition, the University and Faculty agreed under the MOA to make available the following three options to active members that were part of the Plan before January 1, 2000:

- Remain in the defined benefit (DB) component of the Plan for both past and future service;
- Maintain the DB benefits for past service, but accumulate future service in the defined contribution (DC) component of the Plan; or
- Accumulate future service in the DC component and transfer credit for all past service from the current DB pension account to the DC component.

Members have until September 30, 2000 to elect their decision.

b) On September 12, 2000 the University announced plans for a proposed expansion to the Education Building on campus. The total cost of the project is estimated at $13,000 and consists of constructing an additional two floors on top of the existing structure.

The Provincial Government will provide funding for the project in the amount of $12,000, with $11,145 coming from the newly formed Centenary Fund and the remainder from sources to be determined. The remaining $1,000 will come from the University's annual capital funding.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the consolidated statement of financial position of The University of Saskatchewan as at April 30, 2000, and the consolidated statements of operations and changes in fund balances, and consolidated statement of cash flows for the year then ended. The University's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
September 7, 2000

Fred Wendel, CMA, CA
Acting Provincial Auditor

THE UNIVERSITY OF SASKATCHEWAN
Consolidated Statement of Financial Position
As at April 30, 2000
(thousands of dollars)

Statement 1

	General	Restricted	Endowment	Total	Total 1999
Current Assets					
Cash and short-term investments (Note 3)	$ 33,769	$ 58,498	$ 193	$ 92,460	$ 50,337
Accounts receivable	16,000	6,543	60	22,603	17,246
Inventories	7,124	-	-	7,124	6,605
Prepaid expenses	769	-	-	769	557
Work in progress	-	9,377	-	9,377	3,260
	57,662	74,418	253	132,333	78,005
Long-term Assets					
Work in progress	-	17,776	-	17,776	4,907
Long-term investments (Note 4)	63,441	42,825	98,954	205,220	209,929
Investment in affiliated entities (Note 5)	286	-	-	286	286
Other assets	702	1,491	-	2,193	1,787
Capital assets (Note 6)	-	275,744	-	275,744	261,178
	64,429	337,836	98,954	501,219	478,087
	$ 122,091	$ 412,254	$ 99,207	$ 633,552	$ 556,092
Current Liabilities					
Accounts payable and accrued liabilities	$ 20,436	$ 3,847	$ -	$ 24,283	$ 7,307
Accrued vacation pay and assisted early retirement benefits	10,831	58	-	10,889	9,981
Unearned fees and other deferred revenue	3,320	-	-	3,320	3,193
Current portion of provision for claims payable	1,951	-	-	1,951	1,150
Current portion of long-term debt	-	94	-	94	102
	36,538	3,999	-	40,537	21,733
Long-term Liabilities					
Long-term Disability Trust Fund - Provision for claims payable	8,483	-	-	8,483	8,020
Long-term debt (Note 7)	-	2,962	-	2,962	3,042
Capital lease (Note 8)	-	-	-	-	16
Accrual for assisted early retirement	11,263	4	-	11,267	14,200
Due to other funds	100	(100)	-	-	-
	19,846	2,866	-	22,712	25,278
Fund Balances					
Externally restricted funds	-	132,702	99,207	231,909	190,598
Internally restricted funds	30,536	-	-	30,536	16,719
Invested in capital assets	-	272,687	-	272,687	257,968
Unrestricted funds	35,171	-	-	35,171	43,796
	65,707	405,389	99,207	570,303	509,081
	$ 122,091	$ 412,254	$ 99,207	$ 633,552	$ 556,092

Approved by the Board of Governors

Chair, Board of Governors

Vice-President (Finance & Resources)

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN **Statement 2**

Consolidated Statement of Operations and Changes in Fund Balances

For the Year Ended April 30, 2000

(thousands of dollars)

	General	Restricted	Endowment	Total	Total 1999
Revenues					
Government grants and contracts					
Government of Canada	$ 3,588	$ 35,962	$ -	$ 39,550	$ 20,792
Government of Saskatchewan	163,643	33,911	-	197,554	186,524
Other	5,005	1,568	-	6,573	6,664
Student fees	52,808	-	-	52,808	49,244
Gifts, grants and bequests	11,971	20,351	5,981	38,303	35,061
Sales of services and products	71,422	104	-	71,526	70,811
Income from investments	6,414	8,836	(10)	15,240	16,291
Real estate income	409	71	-	480	407
Miscellaneous income	1,515	1,159	38	2,712	2,265
	316,775	101,962	6,009	424,746	388,059
Expenses					
Salaries	198,750	29,628	-	228,378	225,938
Employee benefits	22,782	2,456	-	25,238	23,501
Operational supplies and expenses	68,037	15,222	21	83,280	83,344
Travel	6,572	3,043	-	9,615	9,603
Cost of goods sold	15,196	-	-	15,196	14,505
Equipment rental, maintenance and renovations	12,273	793	-	13,066	16,337
Utilities	11,820	4	-	11,824	11,556
Amortization	-	22,646	-	22,646	20,546
Scholarships, bursaries and prizes	5,800	1,903	-	7,703	6,798
Interest	58	207	-	265	213
Meewasin Valley Authority levy	-	574	-	574	574
Bad debt expense	112	-	9	121	45
Internal cost recoveries (Note 13)	(50,793)	(3,586)	(3)	(54,382)	(56,243)
	290,607	72,890	27	363,524	356,717
Excess of revenues over expenses	26,168	29,072	5,982	61,222	31,342
Interfund transfers (Note 14)	(20,976)	19,015	1,961	-	-
Net increase in fund balances for year	5,192	48,087	7,943	61,222	31,342
Fund balances, beginning of year	60,515	357,302	91,264	509,081	477,739
Fund balances, end of year	$ 65,707	$ 405,389	$ 99,207	$ 570,303	$ 509,081

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN
Consolidated Statement of Cash Flows
For the Year Ended April 30, 2000
(thousands of dollars)

Statement 3

	General	Restricted	Endowment	Total	Total 1999
Operating Activities					
Net increase in fund balance for year	$ 5,192	$ 48,087	$ 7,943	$ 61,222	$ 31,342
Amortization of capital assets	-	22,646	-	22,646	20,546
Unrealized loss (gain) on investments	194	(1,036)	12	(830)	(1,852)
Total decrease (increase) in non-cash working capital	12,729	(6,221)	90	6,598	(11,639)
Cash generated from operating activities	18,115	63,476	8,045	89,636	38,197
Investing Activities					
Work in progress	-	(12,870)	-	(12,870)	(4,907)
Sale (purchase) of investments (net)	5,117	8,715	(8,292)	5,540	2,964
Investment in subsidiary companies	-	-	-	-	146
Purchase of capital assets and library holdings (net)	-	(37,212)	-	(37,212)	(18,941)
Cash from (used in) investing activities	5,117	(41,367)	(8,292)	(44,542)	(20,738)
Financing Activities					
Debt financing repayments (net)	-	(79)	-	(79)	(71)
Capital lease financing (repayments) proceeds (net)	-	(17)	-	(17)	16
(Decrease) increase in Assisted Early Retirement commitments	(2,911)	(22)	-	(2,933)	4,767
Decrease in deferred costs	-	-	-	-	561
(Increase) decrease in other assets	(330)	(75)	-	(405)	147
Increase in long-term disability claims	463	-	-	463	70
Cash (used in) from financing activities	(2,778)	(193)	-	(2,971)	5,490
Net increase (decrease) in cash and short-term deposits	20,454	21,916	(247)	42,123	22,949
Cash and short-term deposits, beginning of year	13,315	36,582	440	50,337	27,388
Cash and short-term deposits, end of year	$ 33,769	$ 58,498	$ 193	$ 92,460	$ 50,337

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN

Statement 4

Consolidated Statement of Operations and Changes in Fund Balances - General Funds
For the Year Ended April 30, 2000
(thousands of dollars)

	Operating	Ancillary	Specific Purpose	Total
Revenues				
Government grants and contracts				
Government of Canada	$ -	$ -	$ 3,588	$ 3,588
Government of Saskatchewan	131,297	-	32,346	163,643
Other	3,233	-	1,772	5,005
Student fees	51,779	-	1,029	52,808
Gifts, grants and bequests	12	-	11,959	11,971
Sales of services and products	9,038	31,720	30,664	71,422
Income from investments	3,231	38	3,145	6,414
Real estate income	225	-	184	409
Miscellaneous income	490	-	1,025	1,515
	199,305	31,758	85,712	316,775
Expenses				
Salaries	138,679	6,069	54,002	198,750
Employee benefits	17,818	752	4,212	22,782
Operational supplies and expenses	43,417	2,798	21,822	68,037
Travel	2,082	38	4,452	6,572
Cost of goods sold	-	15,196	-	15,196
Equipment rental, maintenance and renovations	9,809	1,135	1,329	12,273
Utilities	7,438	4,324	58	11,820
Amortization	-	-	-	-
Scholarships, bursaries and prizes	2,198	-	3,602	5,800
Interest	58	-	-	58
Meewasin Valley Authority levy	-	-	-	-
Bad debt expense	27	-	85	112
Internal cost recoveries (Note 13)	(43,943)	-	(6,850)	(50,793)
	177,583	30,312	82,712	290,607
Excess of revenues over expenses	21,722	1,446	3,000	26,168
Interfund transfers (Note 14)	(17,748)	(1,478)	(1,750)	(20,976)
Net increase (decrease) in fund balances for year	3,974	(32)	1,250	5,192
Fund balances, beginning of year	(5,033)	6,147	59,401	60,515
Fund balances, end of year	$ (1,059)	$ 6,115	$ 60,651	$ 65,707

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN **Statement 5**

Consolidated Statement of Operations and Changes in Fund Balances - Restricted Funds
For the Year Ended April 30, 2000
(thousands of dollars)

	Capital	Research	Trust	Total
Revenues				
Government grants and contracts				
Government of Canada	$ -	$ 35,962	$ -	$ 35,962
Government of Saskatchewan	15,016	18,895	-	33,911
Other	-	1,568	-	1,568
Student fees	-	-	-	-
Gifts, grants and bequests	-	14,500	5,851	20,351
Sales of services and products	-	103	1	104
Income from investments	799	110	7,927	8,836
Real estate income	-	-	71	71
Miscellaneous income	1,111	-	48	1,159
	16,926	71,138	13,898	101,962
Expenses				
Salaries	-	29,558	70	29,628
Employee benefits	-	2,449	7	2,456
Operational supplies and expenses	52	13,833	1,337	15,222
Travel	-	3,017	26	3,043
Cost of goods sold	-	-	-	-
Equipment rental, maintenance and renovations	-	788	5	793
Utilities	-	4	-	4
Amortization	22,646	-	-	22,646
Scholarships, bursaries and prizes	-	180	1,723	1,903
Interest	207	-	-	207
Meewasin Valley Authority levy	574	-	-	574
Bad debt expense	-	-	-	-
Internal cost recoveries (Note 13)	-	(3,584)	(2)	(3,586)
	23,479	46,245	3,166	72,890
Excess (deficiency) of revenues over expenses	(6,553)	24,893	10,732	29,072
Interfund transfers (Note 14)	48,093	(19,460)	(9,618)	19,015
Net increase in fund balances for year	41,540	5,433	1,114	48,087
Fund balances, beginning of year	278,724	28,541	50,037	357,302
Fund balances, end of year	$ 320,264	$ 33,974	$ 51,151	$ 405,389

The accompanying notes form an integral part of these Financial Statements.

Statement 6

THE UNIVERSITY OF SASKATCHEWAN
Consolidated Statement of Operations by College
All Funds
For the Year Ended April 30, 2000
(thousands of dollars)

	Agriculture	Arts & Science	Commerce	Dentistry	Education	Engineering	Graduate Studies	Law	Medicine	Nursing	Pharmacy & Nutrition	Kinesiology	Veterinary Medicine	Extension	Other Instructional	General	Total
Revenues																	
University operating budget																	
Original budget	$ 8,174	$ 34,784	$ 5,074	$ 2,830	$ 7,465	$ 8,549	$ 905	$ 2,221	$ 16,427	$ 2,532	$ 2,302	$ 2,343	$ 11,089	$ 7,134	$ 24,139	$ 52,260	$ 188,228
Budget revisions	448	921	179	(81)	11	11	130	(57)	(426)	(1)	(76)	111	(47)	175	2,676	(192,202)	(188,228)
Revised budget	8,622	35,705	5,253	2,749	7,476	8,560	1,035	2,164	16,001	2,531	2,226	2,454	11,042	7,309	26,815	(139,942)	-
Government grants and contracts																	
Government of Canada	2,146	6,452	95	12	650	6,001	942	-	4,973	151	248	4	579	33	636	16,809	39,550
Province of Saskatchewan	9,276	708	-	142	1	556	5	17	30,218	80	148	20	1,281	175	925	154,004	197,554
Other	434	75	-	-	84	11	-	-	392	-	-	-	1,525	-	-	4,052	6,573
Student fees	-	-	164	-	-	-	-	-	2	2	-	856	-	-	6	51,779	52,808
Gifts, grants and bequests	5,135	1,811	1,074	55	449	6,385	382	132	6,952	135	1,053	362	2,753	225	385	11,045	38,303
Sales of services and products	2,813	1,111	648	864	531	515	33	98	17,073	234	244	1,745	4,143	2,220	7,229	32,025	71,526
Income from investments	2,216	605	238	26	107	331	75	628	1,053	34	63	58	357	3	269	9,176	15,240
Real estate income	-	-	-	-	-	-	-	-	26	-	-	129	-	-	-	325	480
Miscellaneous income	812	5	-	-	-	8	-	3	2	-	5	-	-	-	13	1,864	2,712
	31,454	46,470	7,472	3,848	9,298	22,347	2,472	3,042	76,692	3,167	3,987	5,618	21,680	9,965	36,297	140,937	424,746
Expenses																	
Salaries	18,387	34,495	5,102	2,880	6,947	10,155	1,917	2,067	59,298	2,545	2,675	3,430	11,950	6,580	15,455	44,535	228,378
Employee benefits	2,074	3,980	618	335	811	1,155	84	255	4,609	313	295	398	1,322	651	3,337	5,003	25,238
Operational supplies and expenses	5,252	3,448	710	703	948	1,451	140	165	10,798	237	726	1,383	4,884	1,993	4,995	45,445	83,280
Travel	806	1,439	178	72	350	580	66	42	2,549	70	154	598	298	515	737	1,151	9,815
Cost of goods sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,100	10,098	15,198
Equipment rental, maintenance and renovations	843	168	9	23	17	91	7	10	384	12	8	81	413	13	1,777	9,232	13,088
Utilities	67	4	-	-	-	-	-	-	19	-	-	2	35	8	54	11,635	11,824
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,848	22,848
Scholarships, bursaries and prizes	283	223	74	269	88	122	2,034	80	726	26	44	99	137	10	47	3,441	7,703
Interest	-	-	-	-	-	-	-	-	-	-	-	-	49	-	86	130	265
Meewasin valley authority levy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	574	574
Bad debt expense	-	-	-	14	-	-	-	-	85	-	-	-	13	-	-	9	121
Internal cost recoveries	(1,398)	(1,101)	(548)	(20)	(363)	(585)	(19)	(21)	(5,175)	(87)	(72)	(143)	(1,030)	(455)	(6,349)	(37,018)	(54,382)
	26,314	42,654	6,145	4,256	8,798	12,979	4,229	2,598	73,273	3,116	3,830	5,848	18,071	9,295	25,239	116,879	383,524
Excess (deficiency) of revenues over expenses	5,140	3,816	1,327	(408)	500	9,368	(1,757)	444	3,419	51	157	(230)	3,609	670	11,058	24,058	61,222
Interfund transfers	(9,090)	(1,369)	(233)	(538)	(82)	(1,518)	2,210	(375)	4,712	(8)	(310)	27	(1,070)	(770)	(2,287)	10,701	-
	(3,950)	2,447	1,094	(946)	418	7,850	453	69	8,131	43	(153)	(203)	2,539	(100)	8,771	34,759	61,222
Contingency account adjustments																	
Transfers	(637)	(1,108)	(270)	59	(135)	(254)	-	(4)	(755)	(39)	(10)	(53)	(297)	(74)	(538)	212	(3,903)
Tuition revenue sharing	361	879	655	754	38	417	-	13	146	(94)	70	319	(48)	225	5	120	3,860
Other adjustments	14	(97)	(103)	(2)	(43)	25	(164)	6	58	36	-	(27)	32	(529)	(2,635)	2,095	(1,334)
Fall-in	137	193	54	-	80	92	1	23	411	6	51	13	63	-	183	70	1,377
Net increase (decrease) in fund balances for year	(4,075)	2,314	1,430	(135)	358	8,130	290	107	7,991	(48)	(42)	49	2,289	(478)	5,786	37,256	61,222
Fund balances, beginning of year	57,709	15,895	5,372	824	4,004	7,590	2,823	11,037	31,494	781	3,112	1,695	10,529	2,270	6,373	347,573	509,081
Fund balances, end of year	$ 53,634	$ 18,209	$ 6,802	$ 689	$ 4,362	$ 15,720	$ 3,113	$ 11,144	$ 39,485	$ 733	$ 3,070	$ 1,744	$ 12,818	$ 1,792	$ 12,159	$ 384,829	$ 570,303

The accompanying notes form an integral part of these Financial Statements

THE UNIVERSITY OF SASKATCHEWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended April 30, 2000

(THOUSANDS OF DOLLARS)

1. Authority and Purpose

"The University of Saskatchewan" is a corporation operating under the authority of *The University of Saskatchewan Act, 1995*, Chapter U-6.1 of the Statutes of Saskatchewan. The primary role of the University is to provide post-secondary instruction and research in the humanities, sciences, social sciences, and other areas of human, intellectual, cultural, social and physical development. The University is a registered charity and is therefore exempt from the payment of income tax, pursuant to Section 149 of the *Income Tax Act*.

2. Summary of Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with generally accepted accounting principles. The following accounting policies and reporting practices are considered significant:

a) Basis of consolidation

The consolidated financial statements include the accounts of the following entities:

- University of Saskatchewan Technologies Inc., a wholly owned subsidiary of the University. The company's mission is to evaluate, protect and exploit University controlled intellectual property.
- Agricoll Research Investments Inc., a wholly owned subsidiary of the University. Through Agricoll, the University of Saskatchewan promotes and participates in research, education and technology transfer related to the agriculture industry.
- University of Saskatchewan Crown Foundation, a non-profit entity incorporated under the Crown Foundation Act of Saskatchewan. The Foundation was created for the purpose of receiving gifts of real and personal property and to provide transfers of property to the University of Saskatchewan.
- 621602 Saskatchewan Ltd., a wholly owned subsidiary of the University. The company participates in real estate investment activities.

Affiliated entities, which are effectively controlled by the University but not included in the consolidated financial statements are:

- Canadian Prairie Feed Resource Centre Inc., a non-profit corporation whose sole member is the University of Saskatchewan. The objectives of the company include providing leadership for research, innovation, product development, and technology transfer in feed ingredient utilization.
- Prairie Swine Centre Inc., a non-profit corporation whose membership is restricted to the members of the Board of Governors of the University of Saskatchewan. The company is engaged in research, education and technology transfer related to pork production in Canada.
- Western Beef Development Centre Inc., a non-profit corporation whose membership is restricted to members of the Board of Governors of the University of Saskatchewan. The mandate of the company is to support the efficient and orderly economic advancement of the Western Canadian beef industry.

- Canadian Light Source Inc., a non-profit corporation whose sole member is the University of Saskatchewan. The company will provide access for the performance of basic and applied research with the aim of making scientific discoveries and advances, and developing these discoveries and advances for practical applications by industry.
- Pharmalytics Inc., a non-profit corporation whose sole member is the University of Saskatchewan. The company is engaged in research, development and education in pharmaceutical sciences.

b) Use of estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

c) Fund accounting

The University follows the restricted fund method of accounting for contributions. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The University has classified accounts with similar characteristics into major funds as follows:

i) General Funds are unrestricted and account for the University's program delivery, service and administrative activities. These funds are further classified as Operating, Ancillary and Specific Purpose.

Operating Funds account for the University's function of instruction, including academic support services, administrative services, plant maintenance and other operating activity.

Ancillary Funds provide goods and services to the University community, which are supplementary to the functions of instruction, research and service and are expected to operate on at least a break-even basis.

Specific Purpose Funds are designated for specific projects or purposes.

ii) Restricted Funds carry restrictions on the use of resources for particular defined purposes. These funds are further classified as Capital, Research and Trust.

Capital Funds account for the acquisition of capital assets, major renovations and improvements to capital assets.

Research Funds account for activities in support of research.

Trust Funds account for activities that have been stipulated by donors and contributors.

iii) Endowment Funds account for resources received with the stipulation that the original contribution not be spent. The fund also consists of a portion of the investment income earned on these funds that is required by donors and the Board of Governors to be added to the fund to offset the eroding effect of inflation.

d) Inventories

Inventories are valued at the lower of cost and net realizable value, which is determined by the first-in, first-out method, with the exception of feedlot cattle. Feedlot cattle are stated at market value.

e) Investments

Short-term investments are carried at the lower of cost and market value. Long-term investments consist primarily of pooled funds and are carried at market value.

f) Investment in affiliated entities

The University uses the equity method to account for profit-oriented affiliated entities in which the University exercises significant influence, but does not control. Under the equity method of accounting, the investment is initially recorded at cost and the carrying value of the investment is adjusted to recognize the University's proportionate share of the net earnings (losses) of the entity.

Non-profit affiliated entities in which the University exercises significant influence, but does not control, and all other investments are recorded at cost less any permanent decline in the value of the investment.

g) Capital assets

Purchased capital assets are recorded at cost. Donated capital assets are reported at fair market value upon receipt by the University. Amortization expense is reported in the Capital Fund. Capital assets, other than land, are amortized using the straight-line method over their estimated useful lives as follows:

Site improvements	20 years
Buildings	40 years
Computers	3 years
Equipment & furnishings	6 to 8 years
Library materials	10 years

h) Donations and pledges

Donations are recorded as revenue in the fiscal period in which they are received. Gifts-in-kind, including works of art, equipment, investments and library holdings are recorded at fair market value on the date of their donation.

Pledges made by donors to the University for donations to be received in future years are not recorded in the financial statements.

i) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received. Other restricted revenue is recognized on the completed contract method.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Endowment Fund resources that must be spent on restricted activities is recognized as revenue of the appropriate restricted fund. Unrestricted investment income earned on Endowment Fund resources is recognized as revenue of the General Fund. Other investment income is recognized as revenue of the General Fund when earned.

j) Fair value

The fair values of cash and short-term investments, accounts receivable, accounts payable and accrued liabilities, and accrued vacation pay approximate their carrying value due to the short-term nature of these assets and liabilities.

3. Cash and Short-term Investments

Short-term investments are generally for less than 90 days, and have an average effective interest rate of 4.6 per cent.

4. Long-term Investments

	2000				1999
	Less than 5 years	5 to 10 years	More than 10 years	Total Fair Value	Total Fair Value
Bonds and debentures	$ 63,926	$ 17,503	$ 12,638	$ 94,067	$ 114,133
Equities					
Canadian	-	-	50,126	50,126	41,244
Foreign	-	-	45,653	45,653	44,665
Other investments	15,374	-	-	15,374	9,887
	$ 79,300	$ 17,503	$ 108,417	$ 205,220	$ 209,929
Market yield	5.4 - 17%	5.5 - 14%	5.7 - 11.3%		

Investments are placed with government guaranteed securities and well capitalized, high quality financial institutions. By policy, the University limits the amount of credit risk exposure in any one type of investment instrument.

5. Investment in Affiliated Entities

	2000	1999
Investment accounted on the equity basis:		
MRV Ltd.	$ 0	$ 0
Investments recorded on the cost basis:		
Saskatchewan Food Industry Development Centre Inc.	0	0
Saskatchewan Population Health and Evaluation Research Unit	0	0
Prairie Diagnostic Services Inc.	0	0
Biostar Inc.	0	0
Alviva Biopharmaceuticals Inc.	1	0
CanEd International Inc.	0	0
Ceapro Inc.	25	25
Ag-Spec Analytical Services Ltd.	260	260
Pharmaderm Laboratories Inc.	0	0
GlobalEd Multimedia Technologies Inc.	0	1
	$ 286	$ 286

Investments, which have a nominal value, are shown with a nil cost.

The following summarizes the financial information of affiliated entities, which are effectively controlled by the University, but not included in the consolidated financial statements:

	Canadian Prairie Feed Resource Centre Inc.	Prairie Swine Centre Inc.	Western Beef Development Centre Inc.	Canadian Light Source Inc.	Pharmalytics Inc.	Total 2000	Total 1999 (restated)
Financial position							
Total assets	$ 416	$ 6,346	$ 882	$ 56	$ -	$ 7,700	$ 6,525
Total liabilities	312	4,523	402	116	-	5,353	4,453
Total net assets	104	1,823	480	(60)		2,347	2,072
	$ 416	$ 6,346	$ 882	$ 56	$ -	$ 7,700	$ 6,525
Results of operations							
Total revenue	$ 425	$ 3,074	$ 779	$ 559	$ -	$ 4,837	$ 3,717
Total expenses	332	2,907	735	619	-	4,593	3,871
Net income (loss)	$ 93	$ 167	$ 44	$ (60)	$ -	$ 244	$ (154)
Cash flows							
Cash from (used in) operations	$ (53)	$ 947	$ (106)	$ -	$ -	$ 788	$ 3,443
Cash (used in) investing	-	(660)	(57)	-	-	(717)	(456)
Cash from (used in) financing	-	243	175	-	-	418	(49)
(Decrease) increase in cash	$ (53)	$ 530	$ 12	$ -	$ -	$ 489	$ 2,938

Included in the accounts of the University are transactions with these affiliated entities, including the following:

	2000	1999 (restated)
Sales of services and products	$ 1,694	$ 1,285
Interest income	26	17
Expenses	756	178
Accounts receivable	281	450
Other assets	608	358
Accounts payable and accrued liabilities	95	13

6. Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,898	$ -	$ 1,898	$ 1,898
Buildings	358,725	152,377	206,348	200,628
Site improvements	21,256	10,714	10,542	9,063
Computers	55,768	46,649	9,119	7,074
Equipment and furnishings	105,565	86,948	18,617	14,473
Library materials	83,135	53,915	29,220	28,042
	$ 626,347	$ 350,603	$ 275,744	$ 261,178

7. Long-term Debt

		2000	1999
a)	Canada Mortgage and Housing Corp. - 6 7/8% debentures due May 1, September 1, 2020	$ 2,678	$ 2,736
	These loans are repayable in equal semi-annual installments of $123 blended principal and interest and recovered in their entirety from the operating revenues of Ancillary Services		
b)	Loan payable to the Government of Saskatchewan - General Revenue Fund – 5 1/8% loan due June 1, 2015	362	376
	As part of the original arrangements for repayment of a loan to Canada Mortgage and Housing Corporation, it was agreed that $600 of the principal portion due would be recovered from the University of Saskatchewan by charges to the Ancillary operations of $33 per year.		
		3,040	3,112
	Less amounts payable within one year	(78)	(70)
		$ 2,962	$ 3,042

8. Capital Lease

The University leases certain equipment under an agreement, which is classified as a capital lease. Costs and accumulated amortization of such assets totaled $73 and $16 (1999 - $73 and $7).

As of April 30, 2000, future minimum lease payments under the capital lease are as follows:

	2000	1999
Fiscal year ended April 30, 2000		$ 34
Fiscal year ended April 30, 2001	$ 17	17
Total future minimum lease payments	17	51
less amount representing interest at 9% per annum	(1)	(3)
Present value of future minimum lease payments	16	48
less current portion	(16)	(32)
Long-term Capital Lease	$ -	$ 16

9. Pension Funds

a) The University is responsible for the administration of the Academic Employees' Pension Plan, the Non-Academic Pension Plan and the Clinicians' Service-Side Pension Plan, all of which are contributory defined benefit, final average pension plans. Actuarial valuations are completed regularly as prescribed by statute and any unfunded pension plan liabilities are the responsibility of the University. The University contributes to the plans on behalf of its employees based on the advice of the plans' actuary with minimum amounts specified in accordance with the plans and in the collective bargaining agreements. The assets, including any potential surplus in the plan, are for the benefit of the members and their beneficiaries. There is no provision that allows the withdrawal of the surplus by the University. For the Non-Academic Pension Plan, the market related value was determined using a five year average of the ratio of market value to book value.

i) Academic Employees' Pension Plan

An actuarial valuation of the Academic Employees' Pension Plan was performed as at December 31, 1999. The valuation indicates that the plan is in a very strong position to meet its statutory obligations with a total estimated surplus of $69,381.

	December 31 1999	December 31 1998 (restated)
Market value of assets	$ 586,556	$ 583,194
Actuarial present value of accrued pension benefits	517,175	516,562
Estimated surplus	$ 69,381	$ 66,632

On the advice of the Actuary, and with the approval of the University the surplus in excess of the amount of $24,562 estimated to be required to be held in the fund as a reserve balance as at December 31, 1999 will be available to improve benefits provided by the plan.

The amount reported as market value of assets as at December 31, 1998 has been restated to reflect the change in the basis of valuing these assets from market related value to market value.

ii) Non-Academic Pension Plan

An actuarial extrapolation of the Non-Academic Pension Plan as at January 1, 2000 indicates that the plan has a surplus of $38,033 which is held in a contingency reserve.

	January 1 2000	January 1 1999
Market related value of assets	$ 167,496	$ 154,123
Actuarial present value of accrued pension benefits	129,463	123,946
Estimated surplus	$ 38,033	$ 30,177

On the advice of the Actuary, and with the approval of the University, a portion of the surplus in excess of the contingency reserve balance of $12,946 will be available to improve benefits provided by the plan.

iii) Clinicians' Service-Side Pension Plan

An actuarial extrapolation of the Clinicians' Service-Side Pension Plan for the Clinical Employees of the University of Saskatchewan was performed as at December 31, 1999. The extrapolation indicates that the plan has a surplus of $214, which is held in a contingency reserve. On the advice of the actuary, and with the approval of the University, a portion of the surplus in excess of the contingency reserve balance will be available to improve benefits provided by the plan.

b) The University is also responsible for the administration of the Pension Plan for the Eligible Employees at the University of Saskatchewan, 1974, a defined contribution plan. As at December 31, 1999, the plan held assets of $28,164 offset by obligations to employees of the same amount.

10. Commitments - Capital Fund

The estimated cost of contractual commitments to complete major capital projects in progress as at April 30, 2000 is approximately $31,773 (1999 - $11,950).

11. Gifts-in-kind and Donation Pledges

Gifts-in-kind in the amount of $8,595 were received and recorded in the year (1999 - $5,988). Gifts-in-kind consist of the following:

	2000	1999
Works of art	$ 574	$ 282
Equipment and furnishings	162	37
Investments	7,669	5,305
Library holdings	65	244
Other	125	120
	$ 8,595	$ 5,988

Donations pledged but not received as at April 30, 2000 totaled $3,470 (1999 - $8,618). These pledges are expected to be honored during the subsequent five-year period and will be recorded as revenue when received.

12. Operating Fund Expenses

A comparison of the budgeted Operating Fund expenses approved by the University's Board of Governors to the actual Operating Fund expenses is as follows:

	2000		1999
	Budget	Expenses	Expenses
Agriculture	$ 8,174	$ 8,414	$ 8,442
Arts and Science	34,784	35,378	35,318
Commerce	5,074	5,365	5,494
Dentistry	2,830	3,622	3,083
Education	7,465	7,239	7,293
Engineering	8,549	8,473	8,607
Graduate Studies	905	838	715
Law	2,221	2,156	2,334
Medicine	16,427	16,018	15,756
Nursing	2,532	2,576	2,698
Pharmacy and Nutrition	2,302	2,221	2,329
Kinesiology	2,343	2,580	2,594
Veterinary Medicine	11,089	10,767	10,829
Extension Division	7,134	6,768	3,318
Other Instructional	24,139	22,025	20,607
General	52,260	51,841	56,838
Net expenses for internal reporting purposes	188,228	186,281	186,255
Reclassification of net expenses, included in College totals above as a recovery or expense, and restated for financial statement purposes:			
External cost recoveries restated as revenue	6,389	9,050	8,288
Interfund transfers eliminated for financial statement purposes (Statement 4)	-	(17,748)	(7,804
Expenses for financial statement purposes	$ 194,617	$ 177,583	$ 186,739

13. Internal Cost Recoveries

Sales and services provided by one part of the university to another part are recorded as internal cost recoveries. These recoveries are eliminated from the expense activity of the University as follows:

	2000			1999
	Gross Expenses	Net Recovery	Net Expenses	Net Expenses
Salaries	$ 228,378	$ (813)	$ 227,565	$ 223,748
Employee benefits	25,238	(181)	25,057	23,349
Operational supplies and expenses	83,280	(43,697)	39,583	38,841
Travel	9,615	(36)	9,579	9,465
Cost of goods sold	15,196	(808)	14,388	14,476
Equipment rental, maintenance and renovations	13,066	(7,881)	5,185	7,766
Utilities	11,824	(857)	10,967	11,018
Amortization	22,646	-	22,646	20,546
Scholarships, bursaries and prizes	7,703	(109)	7,594	6,787
Interest	265	-	265	102
Meewasin Valley Authority levy	574	-	574	574
Bad debt expense	121	-	121	45
Internal cost recoveries	(54,382)	54,382	-	-
	$ 363,524	$ -	$ 363,524	$ 356,717

14. Interfund Transfers

During 1999/00, the University transferred the following to the Capital Fund to fund the acquisition of assets: $11,464 from Operating, $1,820 from Ancillary, $7,924 from Specific Purpose, $5,533 from Trust, and $21,352 from Research.

In addition, the following transfers occurred between funds to properly reflect activity according to the various fund definitions: $331 was transferred from Operating to Ancillary, $5,490 was transferred from Operating to Specific Purpose, $577 was transferred from Operating to Research, $11 was transferred from Specific Purpose to Ancillary, $384 was transferred from Specific Purpose to Endowment, $111 was transferred from Specific Purpose to Research, $81 was transferred from Trust to Operating, $1,190 was transferred from Trust to Specific Purpose, $1,610 was transferred from Trust to Endowment, $1,204 was transferred from Trust to Research, and $33 was transferred from Endowment to Operating.

15. Related Party Transactions

The University receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its members to the Board of Governors appointed by the Government. To the extent that the Provincial Government exercises significant influence over the operations of the University, all Saskatchewan Crown agencies such as corporations, boards and commissions are considered related parties to the University.

Revenue amounts received from the Government of Saskatchewan are disclosed separately in the Statement of Operations.

Routine expenses with these related parties are recorded at the standard or agreed rates charged by these organizations.

Transactions and the amounts outstanding at year-end are as follows:

	2000	1999
Sales of services and products - physicians' billings	$ 16,913	$ 16,238
Expenses		
Utilities	10,452	9,727
Other	11,077	10,970
Accounts receivable	5,651	5,527
Long-term investments	1,252	3,667
Accounts payable and accrued liabilities	898	140
Deferred revenue	1,169	941

16. Uncertainty Due to the Year 2000

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

17. Subsequent Events

On June 29, 2000 proposals to reform the Academic Employees' Pension Plan were ratified by the Faculty Association and approved by the Board of Governors. On August 2, 2000, the Saskatchewan Superintendent of Pensions approved the reform proposals. The University is awaiting the Canada Customs and Revenue Agency approval. The financial effect of the reform for the University is not determinable.

18. Comparative Figures

Certain of the prior year comparative figures have been reclassified to conform to the current year's presentation.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statements of financial position of the Extended Health Care Plan as at December 31, 2000 and the statements of operations and net assets, and cash flows for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
February 6, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

EXTENDED HEALTH CARE PLAN
STATEMENT OF FINANCIAL POSITION

STATEMENT 1

AS AT DECEMBER 31

	2000				1999
	Extended Health Care Fund	SGEU Benefit Plans' Surplus Fund	CUPE Benefit Plans' Surplus Fund	Total	Total
ASSETS					
Due from General Revenue Fund (Note 3)	$ -	$6,331,261	$275,370	$6,606,631	$4,707,495
Employer contributions receivable	300,860	128,986	12,122	441,968	409,568
Prepaid insurance premiums	-	-	-	-	386,392
	$ 300,860	$6,460,247	$287,492	$7,048,599	$5,503,455
LIABILITIES AND NET ASSETS					
Liabilities:					
Due to General Revenue Fund (Note 3)	$2,613,179	$ -	$ -	$ 2,613,179	$1,191,161
Accounts payable	18,395	-	-	18,395	767
Advance from General Revenue Fund (Note 4)	275,000	-	-	275,000	275,000
Net assets (Deficit) (Statement 2)	(2,605,714)	6,460,247	287,492	4,142,025	4,036,527
	$ 300,860	$6,460,247	$287,492	$7,048,599	$5,503,455

(See accompanying notes to the financial statements)

EXTENDED HEALTH CARE PLAN STATEMENT OF OPERATIONS AND NET ASSETS

STATEMENT 2

FOR THE YEAR ENDED DECEMBER 31

	2000					1999
	Budget	Extended Health Care Fund	SGEU Benefit Plans' Surplus Fund	CUPE Benefit Plans' Surplus Fund	Total	Total
REVENUES						
Employer contributions	$4,695,000	$ 3,421,441	$1,466,901	$137,779	$5,026,121	$6,436,350
Interest (Note 3)	350,000	(104,129)	296,491	10,852	203,214	86,927
	5,045,000	3,317,312	1,763,392	148,631	5,229,335	6,523,277
EXPENSES						
Insurance premiums	4,640,000	5,053,139	-	-	5,053,139	3,525,538
Administration	23,816	70,698	-	-	70,698	1,328
	4,663,816	5,123,837	-	-	5,123,837	3,526,866
Surplus (deficit) for the year	381,184	(1,806,525)	1,763,392	148,631	105,498	2,996,411
NET ASSETS (DEFICIT), BEGINNING OF YEAR	4,036,527	(799,189)	4,696,855	138,861	4,036,527	1,040,116
NET ASSETS (DEFICIT), END OF YEAR – to Statement 1	$4,417,711	$(2,605,714)	$6,460,247	$287,492	$4,142,025	$4,036,527

(See accompanying notes to the financial statements)

EXTENDED HEALTH CARE PLAN STATEMENT OF CASH FLOWS

STATEMENT 3

FOR THE YEAR ENDED DECEMBER 31

	2000	1999
Cash flows from operating activities:		
Employer contributions received	$ 4,993,566	$ 6,347,300
Interest received	203,214	90,963
Insurance premiums paid	(4,662,117)	(3,912,243)
Administration expense paid	(57,545)	(790)
Net increase in cash	477,118	2,525,230
CASH, BEGINNING OF YEAR	3,516,334	991,104
CASH, END OF YEAR	$ 3,993,452	$ 3,516,334

	2000	1999
Cash consists of:		
Due from General Revenue Fund	$ 6,606,631	$ 4,707,495
Due to General Revenue Fund	(2,613,179)	(1,191,161)
	$ 3,993,452	$ 3,516,334

(See accompanying notes to the financial statements)

EXTENDED HEALTH CARE PLAN
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Description of the Plan

The Extended Health Care Plan (Plan) was established on October 1, 1996 pursuant to subsection 64(2) of *The Financial Administration Act, 1993*. The Plan provides extended health care benefits to certain union employees of the Government of Saskatchewan.

The Plan is composed of the Extended Health Care Fund, the SGEU Benefit Plans' Surplus Fund and the CUPE Benefits Plans' Surplus Fund.

Extended Health Care Fund

The Extended Health Care Fund receives contributions from employers, whose participation in the Plan has been approved by the Lieutenant Governor in Council. The contribution rate is 1.03% of regular pay for Saskatchewan Government and General Employees' Union members (SGEU) and 1.23% of regular pay for Canadian Union of Public Employees', Local 600-3 Union members (CUPE). The contribution rates are pursuant to SGEU and CUPE collective bargaining agreements.

The Plan pays premiums out of the Extended Health Care Fund to Group Medical Services who provide extended health coverage to plan members as outlined in an agreement. The Plan's risk is limited to the payment of its premiums. The Government through the Minister of Finance entered into an agreement with Group Medical Services for a period of 2 years until December 31, 2001.

Benefit Plans' Surplus Funds

The SGEU Benefit Plans' Surplus Fund and the CUPE Benefit Plans' Surplus Fund (Surplus Funds) were required to be established to meet the terms of the SGEU collective bargaining agreement and the CUPE collective bargaining agreement. The Surplus Funds receive contributions from employers whose participation in the plan has been approved by the Lieutenant Governor in Council. The contribution rates are as follows:

- .47% of regular pay of SGEU members
- .82% of regular pay of CUPE members

The SGEU Collective Agreement also required a one-time lump sum contribution of $2,000,000 from the SGEU employers. The SGEU Benefits Plans' Surplus Fund received this lump sum contribution in October 1999 from the Minister of Finance.

The purpose of the Surplus Funds is to off set cost increases arising from extended health care benefits and future dental plan enhancements. The Surplus Funds are administered under directions from the Joint Board of Trustees, made up of equal representation of union members and employers' representatives. The Joint Board of Trustees must approve the use of the net assets of the Surplus Funds.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles.

3. Due from/to General Revenue Fund

The monies of the Extended Health Care Fund and Benefit Plans' Surplus Funds are commingled in one bank account. However, the amount due from/to General Revenue Fund to the Benefit Plans' Surplus Funds and from the Extended Health Care Fund are accounted for and shown separately on the Statement of Financial Position. The interest income and interest expense are determined as outlined below.

The Plan's bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. The Plan's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty day borrowing rate, and the Fund's average daily bank account balance. The Government's average thirty day borrowing rate in 2000 was 5.5% (1999 - 4.78%).

4. Advance from General Revenue Fund

The General Revenue Fund advanced the Plan monies when the Plan began operations. The advance is interest-free with no fixed maturity date.

5. Financial Instruments

The Plan's financial instruments include due from/to General Revenue Fund, employer contributions receivable, accounts payable and advance from General Revenue Fund. Due to the immediate or short-term nature, the fair value of these instruments approximates carrying value.

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Related party transactions with the Plan are in the normal course of operations and are recorded at the agreed upon exchange amounts charged by these organizations.

All employer contributions and contributions receivable are from related parties.

The Plan is managed by the Public Employees Benefits Agency (PEBA). The PEBA Revolving Fund charged the Plan $64,548 (1999 - $1,328) for administration.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.

7. Budget

The Public Employees Benefits Agency prepares and approves the budget.

8. Comparative Figures

Certain comparative figures have been restated to conform with the current year's financial statement presentation.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Extended Health Care Plan For Certain Other Employees as at December 31, 2000 and the statements of operations and net assets, and cash flows for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Wendel

Regina, Saskatchewan
February 6, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

EXTENDED HEALTH CARE PLAN FOR CERTAIN OTHER EMPLOYEES STATEMENT 1
STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31

	2000	1999
ASSETS		
Due from General Revenue Fund (Note 3)	$1,546,933	$1,310,514
Employer contributions receivable	110,958	107,543
Prepaid insurance premiums	-	92,535
	$1,657,891	$1,510,592
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable (Note 6)	$ 85,447	$ 66,204
Advance from General Revenue Fund (Note 4)	65,000	65,000
Net assets (Statement 2)	1,507,444	1,379,388
	$1,657,891	$1,510,592

(See accompanying notes to the financial statements)

EXTENDED HEALTH CARE PLAN FOR CERTAIN OTHER EMPLOYEES STATEMENT 2
STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED DECEMBER 31

	2000		1999
	Budget	Actual	Actual
REVENUES			
Employer contributions	$1,300,000	$1,318,621	$1,279,392
Interest (Note 3)	72,000	78,025	54,978
	1,372,000	1,396,646	1,334,370
EXPENSES			
Insurance premiums	1,120,000	1,240,739	863,337
Administration	23,816	27,851	1,192
	1,143,816	1,268,590	864,529
Surplus for the year	228,184	128,056	469,841
NET ASSETS, BEGINNING OF YEAR	1,379,388	1,379,388	909,547
NET ASSETS, END OF YEAR - to Statement 1	$1,607,572	$1,507,444	$1,379,388

(See accompanying notes to the financial statements)

EXTENDED HEALTH CARE PLAN FOR CERTAIN OTHER EMPLOYEES STATEMENT 3
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31

	2000	1999
Cash flows from operating activities:		
Employer contributions received	$ 1,314,656	$1,273,547
Interest received	78,025	54,978
Insurance premiums paid	(1,147,496)	(957,081)
Administration expenses paid	(26,299)	(654)
	218,886	370,790
Cash flows from financing activities:		
Net increase in deposits from others (Note 6)	17,533	20,498
	17,533	20,498
Net increase in cash	236,419	391,288
DUE FROM GENERAL REVENUE FUND, BEGINNING OF YEAR	1,310,514	919,226
DUE FROM GENERAL REVENUE FUND, END OF YEAR	$1,546,933	$1,310,514

(See accompanying notes to the financial statements)

EXTENDED HEALTH CARE PLAN FOR CERTAIN OTHER EMPLOYEES NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Description of the Plan

The Extended Health Care Plan For Certain Other Employees (Plan) was established on January 1, 1997 pursuant to subsection 64(2) of *The Financial Administration Act, 1993*. The Plan provides extended health care benefits to certain out-of-scope employees of the Government of Saskatchewan.

The Plan is funded from employer contributions, whose participation in the Plan has been approved by the Lieutenant Governor in Council. The contribution rate is 1% of regular pay as approved by the Minister of Finance.

The Plan pays premiums to Group Medical Services who provide insured extended health coverage as outlined in an agreement. The Plan's risk is limited to the payment of its premiums. The Government through the Minister of Finance entered into an agreement with Group Medical Services for a period of 2 years until December 31, 2001.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles.

3. Due from General Revenue Fund

The Plan's bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. The Plan's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty day borrowing rate, and the fund's average daily bank account balance. The Government's average thirty day borrowing rate in 2000 was 5.50% (1999 - 4.78%).

4. Advance from General Revenue Fund

The General Revenue Fund advanced the Plan monies when the Plan began operations. The advance is interest-free with no fixed maturity date.

5. Financial Instruments

The Plan's financial instruments include Due from General Revenue Fund, employer contributions receivable, accounts payable and advance from General Revenue Fund. Due to the immediate or short-term nature, the fair value of these instruments approximates carrying value.

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Related party transactions with the Plan are in the normal course of operations and are recorded at the agreed upon exchange amounts charged by these organizations.

All employer contributions and employer contribution receivables are from related parties.

The Plan is managed by the Public Employees Benefits Agency. The PEBA Revolving Fund charged the Plan $26,423 (1999 - $1,192) for administration.

The Plan also receives amounts from the Legislative Assembly Office, Judges, Human Rights Commission, Prairie Diagnostic Services, and other caucus groups and makes payments to Canada Life Assurance Company and Group Medical Services on their behalf. During the year, the Plan received $228,751 (1999 - $136,018) from the General Revenue Fund for the above groups and paid $211,218 (1999 - $115,520) to Canada Life Assurance Company and Group Medical Services. The balance of $82,648 (1999 - $65,115) is shown as an accounts payable on the statement of financial position. These receipts and payments are not considered part of the Plan's operations and are not included in the statement of operations.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.

7. Budget

The Public Employees Benefits Agency prepares and approves the budget.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits of the Judges of the Provincial Court Superannuation Plan as at March 31, 2001 and the statement of changes in net assets available for benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at March 31, 2001 and the changes in the net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 31, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

JUDGES OF THE PROVINCIAL COURT SUPERANNUATION PLAN STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

STATEMENT 1

AS AT MARCH 31

	2001	2000
ASSETS		
Investments		
Due from General Revenue Fund (Note 6)	$ 160,013	$ 64,885
Cash and short-term investments	624,275	804,830
Bonds and debentures	4,998,453	4,911,240
Equities	2,800,557	2,935,639
Pooled funds	2,832,287	2,127,267
	11,415,585	10,843,861
Receivables		
Employees' contributions	22,662	18,400
Accrued investment income	81,943	85,698
Other	7,976	4,885
Total assets	11,528,166	10,952,844
LIABILITIES		
Accounts payable	18,516	20,484
Total liabilities	18,516	20,484
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	$11,509,650	$10,932,360

(See accompanying notes to the financial statements)

JUDGES OF THE PROVINCIAL COURT SUPERANNUATION PLAN STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

STATEMENT 2

YEAR ENDED MARCH 31

	2001	2000
INCREASE IN ASSETS		
Investment income		
Interest	$ 375,864	$ 324,092
Dividends-Equities	46,673	47,624
Dividends-Pooled Funds	218,949	123,791
	641,486	495,507
Market value adjustment	(243,407)	870,648
Contributions by judges	277,328	227,514
Deficiency payment from General Revenue Fund (Note 4)	1,659,226	1,477,338
Total increase in assets	2,334,633	3,071,007
DECREASE IN ASSETS		
Administration expenses (Note 10)	72,236	93,018
Superannuation allowances		
Magistrates' Court Act	179,013	167,134
Provincial Court Act	1,506,094	1,464,238
Total decrease in assets	1,757,343	1,724,390
INCREASE IN NET ASSETS	577,290	1,346,617
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	10,932,360	9,585,743
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR - to Statement 1	$11,509,650	$10,932,360

(See accompanying notes to the financial statements)

JUDGES OF THE PROVINCIAL COURT SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2001

1. Description of the Plan

a) General

The Judges of the Provincial Court Superannuation Plan was established on October 1, 1978 under *The Provincial Court Act* (Act) (continued as *The Provincial Court Act, 1998*) to provide defined benefit final average pensions to the Judges of the Provincial Court of Saskatchewan.

The Act also established the Judges of the Provincial Court Superannuation Fund to accumulate all contributions paid by judges, any investment income and payments received from the General Revenue Fund. Pensions, annuities, supplementary allowances, refunds and interest are paid out of the Fund.

Under *The Provincial Court Act, 1998*, the members are entitled to a retirement benefit from the registered pension plan under *The Provincial Court Pension Plan Regulations* and an additional retirement benefit under *The Provincial Court Compensation Regulations*. The additional retirement benefit is not part of the registered pension plan.

Further plan details are contained in the Act, and the related regulations.

b) Administration

The Minister of Finance administers the Judges of the Provincial Court Superannuation Fund and is responsible for the investment of the Fund. Day-to-day administration is provided by the Public Employees Benefits Agency (PEBA).

c) Funding Policy

Judges contribute 5% of salary each year.

d) Retirement

The normal retirement age is 65. Judges appointed under *The Magistrates' Courts Act* retire at age 70. There is only one active member remaining who will receive benefits under *The Magistrates' Courts Act*. There are nine members appointed under *The Magistrates' Courts Act* who have elected to receive benefits under *The Provincial Court Act, 1998*.

e) Registered Pension Plan

Pursuant to *The Provincial Court Pension Plan Regulations*, the annual pension payable to a superannuated judge is 2% of the average of the judge's highest three years of salary, multiplied by the total number of years of service for which the judge has contributed. The maximum number of years of service is 23 1/3 years.

Additional Retirement Benefits

Pursuant to *The Provincial Court Compensation Regulations*, judges are entitled to receive a retirement benefit including the benefit from the registered pension plan of 3% of the average of the judge's highest three years of salary, multiplied by the total number of years of service for which the judge has contributed. The maximum number of years of service is 23 1/3 years.

Under *The Provincial Court Compensation Regulations*, judges who have served for at least 18 years, have attained the age of 58 years or more and the total of the judges age in years and years of contributory service equals 80 or more are entitled to a retirement benefit including the benefit from the registered pension plan of 70% of the average of the judge's highest three years of salary.

The Provincial Court Compensation Regulations provide for benefits for judges appointed after September 31, 1978 and before December 13, 1985. A judge appointed between these dates who was 50 years or less on the day of his or her appointment, was engaged in the practice of law for 10 years prior to appointment, was a member in good standing of the bar in a province of Canada for at least 10 years prior to appointment, retires at age 65 and at retirement has served continuously for at least 15 years as a judge is entitled to a retirement benefit including the benefit from the registered pension plan of 70% of the average of the judge's highest three years of salary.

f) Refunds of Contributions

A judge who retires, resigns or is removed from office and who is not entitled to receive a pension, is entitled to receive a refund of contributions together with interest.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following policies are considered significant.

a) Investments

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date.

Short-term investments are recorded at cost which approximates market value.

Pooled funds are recorded based on the quoted market price of the underlying investments, normally the current bid price.

The change in market value of investments during the year is reflected on the financial statements as a market value adjustment.

Fair value approximates the market value of investments.

b) Foreign Currency Translation

Monetary items denominated in foreign currency are translated at the exchange rate in effect at year end. Investments, revenue and expenses are translated at the exchange rate in effect at the transaction date. Gains and losses arising on translation are included in the current period change in market value of investments.

3. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian equities, pooled funds, money market securities, and bonds.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Standard & Poors Bond Rating Service and/or Moody's Bond Rating Service.

Short-Term Investments

Short-term investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 4.6% to 7.5% (2000 - 5.1% to 6.1%) and an average term to maturity of 115 days (2000 - 101 days). The Plan's investment policy states that investments must meet a minimum investment standard of "R-1", as rated by a recognized bond rating agency. Other than the Government of Canada, no single issuer represents more than 19.4% (2000 – 18.9%) of the market value of the short-term investment portfolio.

Bonds and Debentures

The Plan's investment policy states that corporate bonds must meet a minimum quality standard of BBB as rated by a recognized bond rating agency. BBB rated bonds cannot exceed 15% of the market value of the bond portfolio. As at March 31, 2001, the Plan held 5.06% (2000 - 0.4%) in BBB bonds.

	2001						2000		
Years to Maturity	**Federal**	**Provincial**	**Corporate**	**Total Market Value**	**Yield to Maturity at Market**	**Coupon Rate**	**Total Market Value**	**Yield to Maturity at Market**	**Coupon Rate**
Under 5	$1,252,654	$ 422,627	$509,017	$2,184,298	4.9-7.8%	4.9-8.8%	$1,467,888	5.3-7.6%	4.9-8.0%
5-10	354,664	526,283	367,545	1,248,492	5.5-8.1%	5.5-10.8%	1,387,691	5.7-7.9%	5.5-8.8%
Over 10	984,744	366,555	214,364	1,565,663	5.7-8.0%	5.5-11.3%	2,055,661	5.7-7.4%	5.5-8.0%
Market Value	$2,592,062	$1,315,465	$1,090,926	$4,998,453			$4,911,240		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

The Plan's equities include common shares that have no fixed maturity dates and are generally not exposed to the interest rate risk. Dividends are generally declared on an annual basis. The average effective dividend rate is 1.63% (2000 – 1.52%).

The Plan's investment policy does not allow any one holding to represent more than 12% of the market value of the portfolio and does not allow any one holding to represent more than 10% of the voting shares of a corporation.

Pooled Funds

The Plan holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the fund manager. The Plan limits its investment in pooled funds to 10% of the market value of the pooled fund unless provision is made to withdraw assets from the fund.

Foreign equities including foreign pooled funds are limited to 35% of the cost of the investment portfolio and are denominated in Canadian dollars. The Plan's pooled funds are comprised of $1,072,982 (2000 - $1,137,542) in the Greystone Managed Investments Non-North American Fund, $139,585 (2000 - $115,534) in the Greystone Managed Investments Emerging Market Fund, and $1,619,720 (2000 - $874,192) in the Greystone US Equity Pooled Fund.

4. Deficiency Payment from the General Revenue Fund

Section 22 of *The Provincial Court Act, 1998* provides that annuities being paid under *The Magistrates' Courts Act* shall be paid out of the Judges of the Provincial Court Superannuation Fund (Fund). A judge of the Magistrates' Court may elect to receive an annuity to which he/she was entitled under *The Magistrates' Courts Act* rather than contributing to the Fund and receiving benefits as determined by *The Provincial Court Act, 1998*. Accordingly, the annuities which are now or will become payable under *The Magistrates' Courts Act* are considered to be a deficiency and the Fund is reimbursed by way of a statutory appropriation from the General Revenue Fund each year. Also, any amounts payable under *The Provincial Court Act, 1998* to superannuates in excess of an individual's accumulated contributions are considered as a deficiency for administrative purposes, and are recovered from the General Revenue Fund. In addition, lump sum contributions may be received from the General Revenue Fund to reduce any unfunded liability.

	2001	2000
Deficiencies - *The Magistrates' Courts Act*	$ 179,013	$ 167,134
- *The Provincial Court Act, 1998*	1,480,213	1,310,204
	$1,659,226	$1,477,338

5. Obligations for Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method pro rated on services and the best estimate assumptions approved by the Public Employees Benefits Agency. An actuarial valuation was made as of September 30, 1999 by Aon Consulting and an extrapolation was made to March 31, 2000 and March 31, 2001.

The actual present value of benefits as at March 31 and the principal components of changes in actuarial present values during the year were as follows:

	(in thousands of dollars)	
	2001	2000
Actuarial present value of accrued pension benefits at beginning of year	$47,169	$35,016
Interest accrued on benefits	2,968	2,394
Experience loss (gain)	-	6,873
Change in assumptions and benefit improvements	-	3,093
Benefits accrued	2,359	1,424
Benefits paid	(1,685)	(1,631)
Actuarial present value of accrued pension benefits, end of year	50,811	47,169
Net assets available for benefits	11,510	10,932
Unfunded liability	$39,301	$36,237

The significant long-term assumptions used in determining the actuarial value of accrued pension benefits are as follows:

- interest rate is 6.25%
- salary escalation rate is 2.0% increasing to 3.25%
- inflation rate is 2.0% increasing to 3.25%

The actuarial present value of accrued pension benefits contains a provision for ad hoc increases which are subject to Lieutenant Governor in Council approval. The ad hoc assumption is 50% of Consumer Price Index based on previous year's experience. The Lieutenant Governor in Council may provide for supplementary allowances to be paid to superannuates in any year, in any amount and subject to any terms and conditions she considers advisable.

The pension liability is based on a number of assumptions about future events including: salary escalation rate, interest rate, inflation, post-retirement indexing, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The following illustrates the effect on the pension liability if the assumptions used in estimating the liabilities change:

	Long-term Assumptions							
	Inflation*		**Salary**		**Interest Rate**		**Post-retirement Indexing**	
Assumptions	4.25%	2.25%	4.25%	2.25%	7.25%	5.25%	2.125%	1.125%
(Decrease) Increase in liability	(5.6%)	6.2%	1.6%	(1.4%)	(11.2%)	13.6%	5.1%	(4.7%)

* A change in the inflation rate of 1% has a corresponding change in the interest rate and salary scale of 1% and post-retirement indexing of .5%.

The unfunded liability for the Plan is not payable immediately. The expected cash inflows from contributions and investment income and the expected cash outflows to pay the required pension obligation are calculated using the above assumptions. The expected net cash flows are not adjusted for inflation, they are based on actual dollar forecasts. The net cash outflows for the next 5 years would be $14.1 million, in the next 10 years $33.2 million and in the next 30 years $143.1 million.

If there are insufficient monies in the Fund to pay allowances or other payments, the Minister of Finance is obligated to pay any such deficiency out of the General Revenue Fund.

6. Due from General Revenue Fund

The Judges of the Provincial Court Superannuation Fund Bank Account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The earned interest on the bank account is calculated and paid from the General Revenue Fund on a quarterly basis into the bank account using the Government's thirty day borrowing rate and the average daily bank account balance. The Government's average thirty day borrowing rate in 2000/2001 was 5.59% (1999/2000 – 4.79%).

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan collectively referred to as "related parties". The operating expenses associated with administering the Plan are paid to the Public Employees Benefits Agency Revolving Fund.

The Plan holds investments in bonds and debentures of the Province of Saskatchewan at March 31, 2001 of $119,665 (2000 - $70,068). Income earned on these bonds and debentures for the year totaled $5,644 (2000 - $5,583).

Other transactions with related parties and amounts due to or from them are disclosed separately in these financial statements and notes.

Related party transactions with the Plan are in the normal course of operation and are recorded at exchange amounts agreed to by the parties to the transactions.

8. Fair Value of Financial Assets and Financial Liabilities

The following method and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities.

For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial assets and financial liabilities. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

Due to this short-term maturity, the fair value of the following financial instruments approximates their carrying value:

a) Due from General Revenue Fund
b) Cash
c) Receivables
d) Accounts Payable

For all other investments, fair values are considered to be market value (note 2).

The pension liability is long-term in nature. The plan has no intention of settling its pension obligation in the near term and there is no market for settling its pension obligations. Therefore, determination of the fair value of the pension liability is not practical.

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Minister. The Public Employees Benefits Agency reviews the investment performance of the Plan in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2001	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	3.1%	12.0%
Target rate of return (b)	-4.0%	9.1%

(a) Annual returns are before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange CPMS 300 Index, Standard & Poors 500 US Stock Index, the Morgan Stanley Capital International Europe, Australia, Far East Index and the Scotia Capital Markets Universe Bond Index.

10. Administrative Expenses

	2001	2000
Administration – Public Employees Benefits Agency Revolving Fund	$32,320	$50,931
Custodian Fees - Royal Trust	21,180	25,094
Investment management fees - Greystone Capital Management Inc.	18,736	16,993
	$72,236	$93,018

For the year ended March 31, 2001 the Plan had budgeted $49,212 (2000- $54,498) for administration by Public Employees Benefits Agency Revolving Fund. Custodian and investment management fees are based on the market value of the Fund's portfolio.

11. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits of the Liquor Board Superannuation Plan as at December 31, 2000 and the statement of changes in net assets available for benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at December 31, 2000 and the changes in net assets available for benefits for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
February 8, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

LIQUOR BOARD SUPERANNUATION COMMISSION

STATEMENT 1

LIQUOR BOARD SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT DECEMBER 31

	2000	1999
ASSETS		
Investments		
Due from General Revenue Fund (Note 5)	$ 112,320	$ 31,067
Cash and short term investments	1,295,458	949,675
Bonds and debentures	6,332,932	6,271,011
Equities	3,536,440	4,234,057
Pooled Funds	3,104,896	2,438,449
	14,382,046	13,924,259
Receivables		
Employees' contributions	22,531	7,190
Employer's contributions	106,368	38,893
Accrued investment income	92,121	68,306
Other	54,846	151,729
Total assets	14,657,912	14,190,377
LIABILITIES		
Accounts payable	11,460	14,759
Total liabilities	11,460	14,759
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	$14,646,452	$14,175,618

(See accompanying notes to the financial statements)

LIQUOR BOARD SUPERANNUATION COMMISSION

STATEMENT 2

LIQUOR BOARD SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31

	2000	1999
INCREASE IN ASSETS		
Investment income		
Interest	$ 454,853	$ 422,628
Dividends	57,051	57,751
Pooled funds-dividends	267,912	377,932
	779,816	858,311
Market value adjustment	563,801	476,487
Contributions		
Employees'	176,291	166,713
Employer's	1,968,819	1,089,606
Total increase in assets	3,488,727	2,591,117
DECREASE IN ASSETS		
Superannuation allowances	2,850,652	2,923,281
Administration expenses (Note 8)	90,022	98,122
Refunds and transfers		
Contributions	32,838	-
Interest	44,381	-
Total decrease in assets	3,017,893	3,021,403
Increase (decrease) net assets	470,834	(430,286)
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	14,175,618	14,605,904
NET ASSETS AVAILABLE FOR BENEFITS, end of year - to Statement 1	$14,646,452	$14,175,618

(See accompanying notes to the financial statements)

LIQUOR BOARD SUPERANNUATION COMMISSION

LIQUOR BOARD SUPERANNUATION PLAN NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Description of the Plan

a) General

The Liquor Board Superannuation Plan is a defined benefit final average pension plan established under *The Liquor Board Superannuation Act* (Act). Membership is comprised of employees and Board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978. Complete Plan details are contained in the Act. The Act also established the Liquor Board Superannuation Fund to account for all transactions of the Plan.

b) Administration

The Liquor Board Superannuation Commission administers the Plan. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Funding Policy

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of commencement of employment. Contributions are reduced by an amount equal to deemed Canada Pension Plan contributions. The employer contributes a fixed percentage of the members' contributions as necessary to fund the benefits provided by the Plan. This rate is set periodically by the Commission on the advice of the Actuary.

d) Retirement

Normal retirement is at age 65. Employees may retire earlier under certain conditions.

e) Pensions

Annual pensions are calculated as 2% of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum of 35. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Investments

Investments in bonds, debentures and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers. In the absence of recorded sales, reference is made to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date.

Pooled funds are valued based on the net asset value per unit of the underlying assets on the last valuation date.

Short term investments are valued at cost which approximates market value.

The change in the market value of investments during the year is reflected on the financial statements as a market value adjustment.

Fair value approximates the market value of investments.

b) **Investment Transactions and Income**

Investment transactions are recorded on the trade date. Transaction conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Interest income is accrued monthly and dividend income is recognized on the record date.

3. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures, and investment returns into assets such as Canadian equities, pooled funds, money market securities, and bonds.

a) **Interest Rate Risk**

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) **Credit Risk**

Credit risk arises from the potential for an investee to fail or for an issuer to default on its contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on a recognized credit rating service.

Short Term Investments

These investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 5.5% to 6.9% (1999 - 4.8% to 5.5%) and an average term to maturity of 124 (1999 - 111) days. The Plan's investment policy requires that investments meet a minimum investment standard of "R-1" rating or equivalent, as rated by a recognized credit rating service. Other than Government of Canada no single issuer represents more than 13.8% of the market value (1999 - 19.0%) of the short term investment portfolio.

Bonds and Debentures

The Plan's investment policy requires that bonds meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 15% of the bond portfolio may be invested in

BBB rated bonds. As at December 31, 2000, the Plan held 2.9% (1999 - 0.3%) of its portfolio in BBB bonds.

	2000						1999		
Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$1,948,923	$ 700,109	$ 494,453	$3,143,485	5.1-8.4%	4.9-8.8%	$1,766,331	5.0-7.6%	4.9-8.0%
5 - 10	210,497	434,685	381,007	1,026,189	5.3-8.2%	5.3-10.8%	1,909,001	5.6-8.0%	5.5-8.8%
Over 10	1,423,692	508,991	230,575	2,163,258	3.6-8.3%	4.2-11.3%	2,595,679	3.7-7.4%	4.3-8.5%
Market Value	$3,583,112	$1,643,785	$1,106,035	$6,332,932			$6,271,011		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

	Market Value	
	2000	1999
Common shares - Canadian	$3,518,440	$4,196,857
Private equity	18,000	37,200
	$3,536,440	$4,234,057

The Plan's investment policy allows no one holding to represent more than 10% of the market value of the portfolio and no one holding to represent more than 10% of the common stock in any corporation. The Plan's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate is 1.47%.

Pooled Funds

The Plan limits its investments in pooled equity funds to 10% of the market value of each fund. Foreign equities including foreign pooled funds are limited to 25% of the cost of the investment portfolio and are denominated in Canadian dollars. The Plan's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager. The Plan's pooled funds are comprised of the Greystone U.S. Equity Fund, Greystone Non-North American Fund and Greystone Emerging Market Fund.

4. Obligation for Pension Benefits

An actuarial valuation of the Liquor Board Superannuation Plan was performed as at June 30, 1999 and extrapolated to December 31, 1999 and December 31, 2000 by Aon Consulting. The actuary used the projected benefit method prorated on services to determine actuarial present value of accrued pension benefits.

The principal components of change in the actuarial present values as at December 31 are as follows:

	2000 (in thousands)	1999 (in thousands)
Actuarial present value of accrued pension benefits, beginning of year	$42,211	$38,886
Experience (gain)	-	(1,113)
Effect of change in assumptions	-	4,250
Interest accrued on benefits	2,580	2,652
Benefits accrued and members transferred in	505	459
Benefits paid	(2,928)	(2,923)
Actuarial present value of accrued pension benefits, at end of the year	42,368	42,211
Net assets available for benefits (Statement 1)	14,646	14,176
Unfunded liability	$27,722	$28,035

The pension liability is based on a number of assumptions about future events including: interest rate, rate of salary increase, mortality, retirement rates and inflation. The actual rates may vary significantly from the long term assumptions used.

Significant long term actuarial assumptions used in the valuation were:

- general salary increases are expected to be 2.0% in 2000 to 2002 increasing to 3.25% in 2003 and thereafter
- the inflation rate for 2000 to 2002 is expected to be 2.0% increasing to 3.25% in 2003 and thereafter
- interest rate is 6.25% for 1999 and thereafter.

The following illustrates the effect of changing certain assumptions from assumed rates of: inflation 3.25%, salary 3.25%, interest rate 6.25% and post retirement indexing 1.625%.

	Long Term Assumptions							
	Inflation*		Salary		Interest		Post Retirement Indexing	
	4.25%	2.25%	4.25%	2.25%	7.25%	5.25%	2.625%	0.625%
(Decrease) increase in liability	(4.8%)	5.3%	1.6%	(1.5%)	(10.0%)	12.1%	4.5%	(4.2%)

* A change in the inflation rate of 1% has a corresponding change in the interest rate of 1%, in the salary scale of 1% and in the post retirement indexing of 1%.

The actuarial present value of accrued pension benefits contains a provision for ad hoc increases as they are subject to Lieutenant Government in Council approval. The ad hoc assumption is 50% of CPI based on previous year's experience. The Lieutenant Governor in Council may provide for supplementary allowances to be paid to superannuates in any year, in any amount and subject to any terms and conditions he considers advisable.

The unfunded liability is not payable immediately. The cash inflows from employee contributions and investment income and the cash outflow to pay the required pension obligation are calculated using the above assumptions. The net cash outflows in the next 5 years would be $13.9 million, in the next 10 years $29.4 million and in the next 30 years $93.0 million. If there are insufficient monies in the Fund to pay allowances or other payments, the Liquor and Gaming Authority is obligated to pay any such deficiency to the Fund.

The unfunded liability could be funded if payments of approximately $2,901,000 were made each year for 15 years assuming an interest rate of 6.25%.

5. Due From General Revenue Fund

The Liquor Board Superannuation Plan bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Plan's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty day borrowing rate, and the Plan's average daily bank account balance. The Government's average thirty day borrowing rate in 2000 was 5.5%.

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan collectively referred to as "related parties". The operating expenses associated with administering the Plan are paid to the Public Employees Benefits Agency Revolving Fund.

The Plan holds investments in bonds and debentures of the Province of Saskatchewan at December 31, 2000 of $150,705 (1999 - $123,514).

Other transactions with related parties and amounts due to or from them are disclosed separately in these financial statements and notes.

Related party transactions with the Plan are in the normal course of operation and are recorded at exchange amounts agreed to by the parties to the transactions.

7. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long term performance objectives set by the Commission. The Commission reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over 4 year rolling periods. The primary long term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2000	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	9.9%	11.0%
Target rate of return (b)	7.4%	9.8%

(a) The annual returns are before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 Index, Morgan & Stanley Canadian Index-World and the Scotia Capital Markets Universe Bond Index.

8. Administration Expenses

	2000		1999
	Budget	Actual	Actual
Administration - PEBA Revolving Fund	$104,792	$46,158	$ 95,465
Custodian fees - Royal Trust	-	22,084	16,440
Investment management fees - Greystone	-	21,780	(13,783)
	$104,792	$90,022	$ 98,122

Custodian and investment management fees are based on the market value of the portfolio.

9. Fair Value of Financial Assets and Financial Liabilities

The pension liability is long term in nature. The Plan has no intention of settling its pension obligation in the near term and there is no market for settling its pension obligation. Therefore, determination of the fair value of the pension liability is not practical.

The following method and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

Fair values of investments are considered to be market values (note 2).

For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial assets and financial liabilities.

a) employees' and employers' contributions receivable
b) accrued investment income
c) other receivables
d) due from General Revenue Fund
e) cash
f) accounts payable

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits of the Members of the Legislative Assembly Superannuation Plan as at March 31, 2001 and the statement of changes in net assets available for benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at March 31, 2001 and the changes in the net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 13, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

STATEMENT 1

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT MARCH 31

				2001	2000
	Defined Benefits	Defined Contributions	Annuities	Total	Total
ASSETS					
Investments (Note 3 & Schedule 1)					
Short-term	$ -	$ 1,332,500	$ 172,802	$ 1,505,302	$ 1,501,133
Bonds and debentures	-	8,536,896	872,373	9,409,269	9,831,059
Equities	-	4,763,284	486,753	5,250,037	5,936,791
Pooled funds	-	4,742,660	484,645	5,227,305	4,271,412
	-	19,375,340	2,016,573	21,391,913	21,540,395
Receivables					
Members' contributions	-	33,419	-	33,419	32,612
Minister of Finance contributions	-	140,307	-	140,307	139,880
Due from General Revenue Fund (Note 10)	-	126,964	12,974	139,938	34,862
Accrued investment income	-	142,990	14,612	157,602	180,735
Other	3,692	4,042	341	8,075	4,041
	3,692	447,722	27,927	479,341	392,130
Cash	-	1,960	200	2,160	5,423
Total assets	3,692	19,825,022	2,044,700	21,873,414	21,937,948
LIABILITIES					
Accumulated provision for annuities payable (Note 7)	-	-	1,893,000	1,893,000	1,900,000
Accounts payable	3,692	13,291	1,358	18,341	21,166
Total liabilities	3,692	13,291	1,894,358	1,911,341	1,921,166
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	$ -	$19,811,731	$ 150,342	$19,962,073	$20,016,782

(See accompanying notes to the financial statements)

STATEMENT 2

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED MARCH 31

	Defined Benefits	Defined Contributions	Annuities	2001 Total	2000 Total
INCREASE IN ASSETS					
Investment income					
Interest	$ -	$ 624,460	$ 63,813	$ 688,273	$ 633,598
Dividends	-	430,718	44,014	474,732	337,634
	-	1,055,178	107,827	1,163,005	971,232
Current period change in market values of investments	-	(407,560)	(41,647)	(449,207)	1,735,114
Contributions					
Members	-	395,360	-	395,360	455,913
Minister of Finance - General Revenue Fund	2,331,129	467,462	-	2,798,591	2,672,516
	2,331,129	862,822	-	3,193,951	3,128,429
Total increase in assets	2,331,129	1,510,440	66,180	3,907,749	5,834,775
DECREASE IN ASSETS					
Annual allowances	2,245,576	-	174,055	2,419,631	2,309,035
Administration expenses (Note 9)	85,553	17,771	1,816	105,140	119,876
Change in provision for annuities payable (Note 7)	-	-	(7,000)	(7,000)	(7,000)
Equity transfers out	-	1,444,687	-	1,444,687	1,283,948
Total decrease in assets	2,331,129	1,462,458	168,871	3,962,458	3,705,859
Increase (decrease) in net assets	-	47,982	(102,691)	(54,709)	2,128,916
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	-	19,763,749	253,033	20,016,782	17,887,866
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR - to Statement 1	$ -	$19,811,731	$ 150,342	$19,962,073	$20,016,782

(See accompanying notes to the financial statements)

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2001

1. Description of Plan

a) General

The Members of the Legislative Assembly Superannuation Plan (Plan) was established under *The Members of the Legislative Assembly Superannuation Act, 1979* (Act) to provide pensions to individuals who are elected as Members of the Legislative Assembly of the Province of Saskatchewan.

The Plan has a defined benefit component, a defined contribution component, and annuity underwriting activities.

The defined benefit component consists of members who were first elected to the Legislative Assembly prior to April 1, 1979 and who did not elect to join the defined contribution component. These members have their superannuation allowance determined by a formula. Members first elected on or after April 1, 1979 participate in the defined contribution component. Members of the defined contribution component may elect to purchase an annuity from the Plan. The annuity underwriting activities are accounted separately within the Plan.

The Act also established the Members of the Legislative Assembly Superannuation Fund to accumulate all member contributions, investment earnings, and payments received from the General Revenue Fund.

Pensions, annuities, supplementary allowances, refunds and interest are paid out of the Fund.

The Minister of Finance is authorized to invest any part of the monies standing to the credit of the Plan in any securities authorized for investment pursuant to *The Pension Benefits Act, 1992*. Details of the Plan are contained in the Act.

b) Administration

The Minister of Finance is responsible for the Act. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Funding Policy

Members are required to contribute 9% of their indemnity and expense allowances to the Plan. As well, members with additional responsibilities contribute 9% of their additional allowance. The General Revenue Fund matches the members' contributions, and is required to make certain additional contributions to the Plan pursuant to the Act. As there are no assets associated with the defined benefit component, it is financed through contributions from the General Revenue Fund.

d) Retirement

Members may retire as early as age 50.

The annual allowance payable to members of the defined benefit component is one twenty-fifth of the member's average indemnity and expense allowances multiplied by the member's years of pensionable service. Members with additional responsibilities receive an additional allowance of one thirty-fifth of the member's average additional allowance multiplied by the member's years of pensionable service. Both average indemnity and average additional allowance are determined with reference to the highest four consecutive years of indemnity or additional allowance. An annual allowance shall not exceed 70% of that member's average annual indemnity and average additional allowance.

Members participating in the defined contribution component may elect to purchase a life annuity provided by the amount standing to the member's credit in the Plan. The member may elect to purchase an annuity from the Saskatchewan Pension Annuity Fund or from a private company that sells annuities.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following policies are considered significant.

a) Basis of Presentation

Assets of the Plan are commingled for investment purposes. The defined contribution component is segregated by separating the annuity activity from the accounts of members who have not yet purchased annuities. For reporting purposes, the assets and investment income are allocated between the defined contribution component and the annuity activity based on their proportionate market value of the investment portfolio.

b) Investments

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date. Pooled funds are recorded based on the quoted market price of underlying investments, normally the current bid price.

The change in market value of investments during the year is reflected on the financial statements in the current period as a current period change in the market value of investments.

Short-term investments are recorded at cost which approximates market value.

Fair value approximates market value of investments.

c) Foreign Currency Translation

Monetary items denominated in foreign currency are translated at the exchange rate in effect at year-end. Investments, revenue, and expenses are translated at the exchange rate in effect at the transaction date. Gains and losses arising on translation are included in the current period change in market value of investments.

d) Accumulated Provision for Annuities Payable

The accumulated provision for annuities payable represents the present value of the annuities underwritten by the plan and is determined pursuant to an actuarial valuation. Any change in the liability pursuant to the valuation is recognized as an increase or decrease in that year's statement of changes in net assets available for benefits.

3. Investments

The majority of the Plan's investments are in the defined contribution component. Members of this component of the Plan bear the investment risk. The investment policy is written with the defined contribution component foremost in mind even though the annuity component has some investments. The long-term goal of the defined contribution component is to achieve a minimum annualized rate of 3% above the Canadian consumer price index. The strategy employed to achieve this long-term goal is to invest cash flows from contributions, maturing debentures and investment returns into a balance of equity and fixed income investments.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate change on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Standard & Poors Bond Rating Service, and/or Moody's Bond Rating Service.

Short-Term Investments

Short-term investments are comprised of T-Bills and notes with effective rates of 4.6% to 5.4% (2000 - 5.1% to 6.1%) and an average remaining term to maturity of 95 days (2000 - 99). The plan's investment policy states that investments must meet a minimum investment standard for Canadian Federal, Provincial Government and corporate securities of "R1" as rated by a recognized bond rating agency. The largest single issue that the plan holds represents 13.23% (2000 - 13.22%) of the market value of the short-term investment portfolio.

Bonds and Debentures

The Plan's investment policy states that bonds must meet a minimum quality standard of BBB as rated by a recognized bond rating agency. No more than 15% of the market value of the bond portfolio may be invested in BBB rated bonds.

At March 31, 2001 the Plan held 3.63% (2000 - 0.52%) of its portfolio in BBB bonds.

(in thousands of dollars)

	2001						2000		
Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$2,675	$633	$1,115	$4,423	6.21%	4.87-8.75	$2,872	5.83%	4.87-8.00
5 – 10	624	818	614	2,056	6.39%	5.45-10.75	2,801	6.29%	5.50-8.75
Over 10	1,644	871	415	2,930	6.48%	5.50-11.25	4,158	5.87%	5.50-8.00
Market Value	$4,943	$2,322	$2,144	$9,409			$9,831		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

The Plan's investment policy allows no one holding to represent more than 12% of the market value of the related equity portfolio. No one holding in the equity portfolio should represent more than 10% of the voting shares in any corporation. Dividends are generally declared on an annual basis. The average effective rate is 1.52% (2000 – 1.01%).

Pooled Funds

The Plan holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the fund manager.

Foreign equities including foreign pooled funds are limited to 35% of the cost of the investment portfolio and are denominated in Canadian dollars. The pooled funds are comprised of holdings in Greystone Non-North American Fund $2,012,760 (2000 - $2,276,032), Greystone Emerging Markets Fund $242,700 (2000 - $225,703), and Greystone U.S. Equity Pooled Fund $2,971,845 (2000 - $1,769,677).

4. Earnings Allocation to Members - Defined Contribution Component

Investment income plus the current year's allocation of the change in the market values of investments less administrative expenses is allocated annually to the individual members' account balances in accordance with the provisions of the governing legislation. In 2001, the earnings allocation rate was 3.37% (2000 - 13.56%).

5. Statutory Reporting Requirements

In accordance with section 42 of the Act, the following information is provided:

		2001	2000
Contributors to the Plan:	defined benefit	0	1
	defined contribution	58	57

During the year 118 superannuates and spouses (2000 -118) received allowances.

6. Obligations for Pension Benefits - Defined Benefit Component

The present value of accrued pension benefits was determined using the projected benefit method prorated on service and the best estimate assumptions approved by the Public Employees Benefits Agency. An actuarial valuation was performed as at December 31, 1998 by AON Consulting Inc. and an extrapolation was made to March 31, 2000 and March 31, 2001.

The actuarial present value of benefits at March 31 and the principal components of the change in actuarial present value during the year, were as follows:

(in thousands of dollars)

	2001	2000
Actuarial present value of accrued pension benefits at beginning of the year	$27,501	$27,882
Interest accrued on benefits	1,649	2,017
Change in valuation assumptions	-	(336)
Benefits accrued	7	72
Benefits paid	(2,246)	(2,134)
Actuarial present value of accrued pension benefits at end of the year	26,911	27,501
Less: Net assets available for benefits	-	-
Unfunded liability	$26,911	$27,501

The significant long-term assumptions used in determining the actuarial value of accrued pension benefits are:

	2001	2000
Interest rate	6.25%	6.25%
Salary escalation rate	3.25%	3.25%
Inflation rate	3.25%	3.25%

Section 25.1 of the Act provides for a supplementary monthly allowance effective July 1 each year if persons in receipt of allowances under *The Superannuation (Supplementary Provisions) Act* are awarded additional supplementary allowances in the year. The increase is a dollar amount to each superannuate of the Members of the Legislative Assembly defined benefit component equal to one-sixth of the pensionable service of the member multiplied by the sum of their pensionable service and years in receipt of pension. The actuarial present value of accrued pension benefits contains a provision for these ad hoc increases which are subject to Lieutenant Governor in Council approval. The ad hoc assumption is 100% (2000 - 100%) of CPI based on previous years' experience.

The pension liability is based on a number of assumptions about future events including: rate of salary escalation, interest rate, inflation rate, ad hoc indexing, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The following illustrates the effect of changing certain assumptions from the assumed salary escalation rate of 3.25%, interest rate of 6.25% and inflation rate of 3.25%:

	Long-Term Assumptions					
	Salary		Interest		Inflation	
	2.25%	4.25%	5.25%	7.25%	2.25%	4.25%
Liability (decrease) increase	(.05%)	.06%	10.54%	(8.89%)	.26%	(.26%)

The unfunded liability for the defined benefit component of the Plan is not payable immediately. The expected cash inflows from contributions and the expected cash outflows to pay the required pension obligation are calculated using the above assumptions. The expected net cash flows are not adjusted for inflation, they are based on actual dollar forecasts. The expected net cash flows for the next five years would be $10.4 million, in the next 10 years $20.7 million and in the next 25 years $45.1 million.

Paragraph 4(1)(c) of the Act indicates if there are insufficient monies in the Fund to pay allowances or other payments, the Minister of Finance is obligated to pay any such deficiency out of the General Revenue Fund.

7. Accumulated Provision for Annuities Payable

The accumulated provision for annuities payable is the actuarial value of the future expected annuity benefit obligations to pensioners. An actuarial valuation was performed on the annuity activity as at March 31, 2001 and March 31, 2000 by AON Consulting Inc. The valuation represents the present value of the annuities underwritten by the Plan.

The interest rate assumptions were based on the interest rate agreed to when the annuity was purchased (conversion rate) for the first 15 years of the annuity and 6% thereafter. The average conversion rate for annuities presently being paid is 8.95%. Also, 80% of the 1983 Group Annuity Mortality Table mortality rates were used.

The annual change in the annuity payable is reflected in the statement of changes in net assets available for benefits. The principal components of change during the year were as follows:

(in thousands of dollars)

	2001	2000
Accumulated provision for annuities payable, beginning of year	$1,900	$1,907
Interest on accrued benefits	170	164
Annuities paid	(174)	(175)
Experience (gain) loss	(3)	4
Accumulated provision for annuities payable, end of year	$1,893	$1,900

The annuity payable is based on assumptions about future events including interest and mortality rates. The actual rates may vary significantly from the assumptions used. It is reasonably possible, based on existing assumptions, that changes in future conditions in the near term could require a material change in the annuity payable. A 1% increase in the interest rate assumption decreases the liability by $157,000 and a 1% decrease in the interest rate increases the liability by $185,000.

8. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related since all are controlled by the Government. These financial statements include transactions with these agencies and the Plan, a pension plan established by the Government of Saskatchewan. Related party transactions with the Plan are in the normal course of operations and are recorded at the agreed upon exchange amounts charged by these organizations.

Included in bonds and debentures and investment income are Province of Saskatchewan holdings totaling $248,110 (2000 - $142,030) for bonds and debentures and investment income earned and market value adjustment of $20,471 (2000 - $-2,511). The weighted average effective rate is 5.73% (2000 – 5.50%).

Accounts balances resulting from the above transactions are included in the statement of net assets available for benefits and are settled on normal trade terms. Other transactions are disclosed separately in these financial statements.

9. Administration Expenses

The annual operating expenditures associated with the Plan's administration are paid to the Public Employees Benefits Agency Revolving Fund (PEBA) except for custodial fees and investment management fees which are paid directly. Custodial and investment management fees are based on market value of the Plan's portfolio.

	2001		2000	
	Budget	Actual	Budget	Actual
Administration cost – PEBA	$52,445	$50,752	$65,333	$ 63,058
Custodian fees - Royal Trust	-	22,154	-	26,148
Investment management fees - Greystone Capital Management Inc.	-	32,234	-	30,670
	$52,445	$105,140	$65,333	$119,876

10. Due from General Revenue Fund

The Plan's bank account has been included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Plan's earned interest totalled $9,176 (2000 - $4,741) and is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty-day borrowing rate and the Plan's average daily bank account balance. The Government's average thirty-day borrowing rate for 2000/2001 is 5.59% (1999/2000 – 4.79%).

11. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Minister. The Public Employees Benefits Agency reviews the investment performance of the Plan in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2001	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	3.2%	11.8%
Target rate of return (b)	-4.0%	9.2%

a) The annual returns are before deducting investment expenses.

b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange CPMS 300 Index, Standard and Poor's 500 Stock Index and the Scotia Capital Markets Universe Bond Index, and the Morgan Stanley Capital International Europe, Australia, Far East Index.

12. Fair Value of Financial Assets and Financial Liabilities

The following method and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities.

For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial assets and financial liabilities. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

Due to this short-term maturity, the fair value of the following financial instruments approximates their carrying value:

a) Due from General Revenue Fund
b) Cash
c) Receivables
d) Accounts Payable

For all other investments, fair values are considered to be market value, as outlined in note 2.

The pension liability is long-term in nature. The plan has no intention of settling its pension obligation in the near term and there is no market for settling its pension obligations. Therefore, determination of the fair value of the pension liability is not practicable.

The accumulated provision for annuities payable is long-term in nature. The plan has no intention of settling it in the near term. Therefore, determination of the fair value of the accumulated provision for annuities payable is not practicable.

13. Comparative Figures

Certain comparative figures have been restated to conform with the current year's presentation.

SCHEDULE 1

THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION PLAN SCHEDULE OF INVESTMENT TRANSACTIONS

FOR THE YEAR ENDED MARCH 31

Investments at Market	Balance March 31, 2000	Acquisitions	Dispositions	Balance Before Change in Market Value	Market Value Change	Balance March 31, 2001
Bonds and Debentures:	$9,831,059	$20,869,325	$21,602,367	$9,098,017	$311,252	$9,409,269
Canadian Equities:	5,936,791	1,646,680	2,786,869	4,796,602	453,435	5,250,037
Pooled Funds:						
Greystone US Equity Fund	1,769,677	1,360,920	-	3,130,597	(158,752)	2,971,845
Greystone-Emerging Markets Fund	225,703	106,789	-	332,492	(89,792)	242,700
Greystone-Non-North American Fund	2,276,032	877,173	175,000	2,978,205	(965,445)	2,012,760
Total Pooled Funds	4,271,412	2,344,882	175,000	6,441,294	(1,213,989)	5,227,305
Total Long-term Investments	20,039,262	24,860,887	24,564,236	20,335,913	(449,302)	19,886,611
Short-term Investments	1,501,133	13,687,773	13,683,699	1,505,207	95	1,505,302
Total Investments	$21,540,395	$38,548,660	$38,247,935	$21,841,120	$(449,207)	$21,391,913

KPMG LLP
Chartered Accountants

AUDITORS' REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the statement of net assets available for benefits of the Municipal Employees' Pension Plan as at December 31, 2000 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal Employees' Pension Plan as at December 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada
February 28, 2001

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MUNICIPAL EMPLOYEES' PENSION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

STATEMENT 1

AS AT DECEMBER 31

	(in thousands) 2000	1999
ASSETS		
Investments (Note 3)		
Short term	$ 42,733	$ 26,876
Bonds	262,519	354,441
Equities	307,995	291,057
Pooled funds	302,023	162,871
Mortgages	2,428	2,498
Real estate	30,810	30,635
	948,508	868,378
Accounts receivable		
Employees' contributions	950	722
Employers' contributions	949	722
Accrued investment income	3,807	3,600
Due from General Revenue Fund (Note 4)	710	2,291
Other	17	253
	6,433	7,588
Cash	577	1,455
Total assets	955,518	877,421
LIABILITIES		
Accounts payable	2,384	858
Accumulated provision for annuities payable (Note 7)	39,761	34,086
Total liabilities	42,145	34,944
NET ASSETS AVAILABLE FOR BENEFITS	$913,373	$842,477

(See accompanying notes to the financial statements)

MUNICIPAL EMPLOYEES' PENSION PLAN STATEMENT 2
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31

	(in thousands) 2000	1999
INCREASE IN ASSETS		
Investment income		
Interest	$ 22,493	$ 21,338
Dividends	24,031	16,806
Mortgages	225	230
Real estate	2,282	2,335
	49,031	40,709
Current period change in market value of investments	40,739	57,510
Contributions		
Employees	11,531	12,804
Employers	11,448	10,947
Reciprocal transfers in	89	316
	23,068	24,067
Total increase in assets	112,838	122,286
DECREASE IN ASSETS		
Transfers, refunds and benefits (Note 6)	7,269	7,136
Defined benefit allowances	18,193	15,964
Annuity allowances	3,766	3,771
Supplementary benefits	2,854	2,603
Administration costs	2,279	2,251
Investment and custodial fees	1,906	1,682
Change in accumulated provision for annuities payable (Note 7)	5,675	918
Total decrease in assets	41,942	34,325
INCREASE IN NET ASSETS	70,896	87,961
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	842,477	754,516
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$913,373	$842,477

(See accompanying notes to the financial statements)

MUNICIPAL EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Description of the Municipal Employees' Pension Plan

General

The Municipal Employees' Pension Plan (the Plan) is composed of several activities. The following description of the Plan is a summary only. For more complete information, reference should be made to *The Municipal Employees' Pension Act.*

The Municipal Employees' Pension Act (the Act), Section 11, provides authority for the Plan. The Act directs that all allowances, payments and refunds under the Act shall be payable out of the Plan in the manner provided in the Act together with all benefits granted under a former Act. The Municipal Employees' Pension Commission is responsible for holding in trust and investing the monies of the Plan. The Municipal Employees' Pension Commission's composition and authority to administer the Plan are provided in Section 7 of the Act.

Defined Benefit Plan

The Defined Benefit Plan became effective July 1, 1973. This Defined Benefit Plan is mandatory for permanent employees.

A. Funding Policy

Effective January 1, 1993, contributions are established at 5.4% of salary (7.3% for designated police officers and firefighters). Contributions prior to January 1, 1993 were established at 7% of earnings net of deemed Canada Pension Plan contributions. Contributions are matched by the employer.

B. Pensions

Employees receive a pension at age 65, for each year and fractional year of contributory service in the Plan prior to retirement:

For service before 1990, the number of years of contributory service earned before 1990 times the greater of:

a) 1.8% times the average salary for the highest three years of the member's total pensionable service in the Plan, with each year ending in the month of termination (2% for police officers and firefighters); or

b) i) 1.3% of that portion of the member's average salary not exceeding the average yearly maximum pensionable earnings under the Canada Pension Plan; and

  ii) 2% of that portion of the member's average salary exceeding the average yearly maximum pensionable earnings under the Canada Pension Plan.

For service earned after 1989, the number of years of contributory service earned after 1989 times the greater of:

a) 1.5% times the average salary for the highest three years of the member's total pensionable service in the Plan, with each year ending in the month of termination (1.7% for police officers and firefighters); or

b) i) 1.3% of that portion of the member's average salary not exceeding the average yearly maximum pensionable earnings under the Canada Pension Plan; and

ii) 2% of that portion of the member's average salary exceeding the average yearly maximum pensionable earnings under the Canada Pension Plan.

C. Retirement

Normal retirement is at age 65. Members may retire earlier under certain conditions.

The Plan also provides benefits in the event of termination of employment, death or disability.

D. Surplus

Any surpluses arising in the Plan can be utilized at the discretion of the Commission.

Money Accumulation Plan

The Money Accumulation Plan consists of members who made contributions to the Money Accumulation Plan in effect prior to July 1, 1973. Members may retire and purchase an annuity at age 65. Members may retire earlier under certain conditions. Upon retirement a member must purchase an annuity from either the Plan or a private insurer based on employee's and employer's contributions together with interest thereon. The member also has the option of purchasing a Life Income Fund (LIF) or a Life Retirement Income Fund (LRIF) from a private insurer. In the event of death prior to retirement, the member's spouse may receive a life annuity or elect to receive a lump sum payment of employee and employer amounts. If the member's beneficiary is other than the spouse, a lump sum payment of employee and employer contributions plus interest is made.

In addition, the accounts set up to record mandatory contributions made to the Plan prior to July 1, 1973, may also contain:

- voluntary employee and/or employer contributions made either before or after July 1, 1973 and until December 31, 1992;
- any employee and/or employer contributions made to the Plan subsequent to normal retirement age; and
- any excess employee funds transferred from the Defined Benefit Plan pursuant to subsection 20(4) of *The Municipal Employees' Pension Act.*

Annuity Underwriting

If a member elects to purchase an annuity through the Commission, an annuity contract is issued based on the member's balance, current interest rates and annuity tables.

The present value of future annuities is reflected as a liability of the Plan.

Supplementary Benefits

In accordance with the Act, the Commission may grant supplementary benefits to superannuates to compensate them for lost purchasing power. The supplementary benefits may be granted by the Commission as long as the solvency of the entire Plan is not impaired.

2. Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

Valuation of Investments

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices.

Short term investments are valued at cost which approximates market value.

Pooled funds are valued based on the quoted market price of the underlying investments, normally the current bid price.

Real estate is valued at market value as estimated by independent appraisals.

Mortgages are valued at their net present value by discounting cash flows to current market rates of return.

Investment Transactions and Income

Investment transactions are recorded on the trade date. Transactions conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the settlement date. Interest income is accrued monthly and dividend income is recognized on the record date.

Accumulated Provision for Annuities Payable

The accumulated provision for annuities payable represents the present value of the annuities underwritten by the Plan and is determined pursuant to an actuarial valuation. Any change in the liability pursuant to the valuation is recognized as a revenue or expense item in that year's operations.

3. Investments

Short Term Investments

These investments are comprised of treasury bills, notes and commercial paper with effective interest rates of 5.5% to 8.6% (1999 - 4.8% to 5.5%) and an average term to maturity of 93 days. The Plan's investment policy states that investments must meet a minimum investment standard of "R-2 high" as rated by a recognized credit rating service. Other than the Government of Canada, no single issuer represents more than 18.37% (1999 - 20.24%) of the total Plan's short-term investments.

Bonds and Debentures

The Plan's investment policy states that bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. In addition, not more than 15% of its total bond market value may be invested in BBB rated bonds. As at December 31, 2000, the Plan held 4.28% (1999 – 2.13%) of its portfolio in BBB bonds.

The Plan's investment in bonds and debentures are described below.

	2000 (in thousands)						1999 (in thousands)		
Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Coupon Rate	Weighted Yield to Maturity at Market	Total Market Value	Coupon Rate	Weighted Yield to Maturity at Market
Under 5	$ 62,981	$ 8,570	$26,795	$ 98,346	4.88-9.7%	6.05%	$100,864	4.875-12%	6.13%
5 to 10	42,872	19,563	23,000	85,435	5.25-10.75%	6.70%	112,961	5.25-9.65%	6.03%
Over 10	51,648	14,043	13,047	78,738	4.21-11.25%	5.94%	140,616	4.25-9.6%	6.04%
Market Value	$157,501	$42,176	$62,842	$262,519			$354,441		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Included in bonds and debentures are corporate bonds denominated in United States dollars. The Canadian market value of these bonds are $2,918,956 (1999 - $2,866,063).

Equities

The Plan's investment policy allows no one holding to represent more than 10% of the market value of the related portfolio and no one holding to represent more than 10% of the common stock in any corporation. The Plan's holdings were within these limits.

Foreign equities can not exceed 20% of the market value of the total Plan at the time of investment. As at December 31, 2000 the Plan held 7.56% (1999- 7.85%)

All foreign equities are denominated in Canadian dollars.

The Plan's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risks. Dividends are generally declared on a quarterly basis. The average effective dividend rate is 1.9%.(1999- 1.48%)

Pooled Funds

The Plan limits its investments in pooled equity funds to 10% of the market value of each fund. Foreign equities including foreign pooled funds are limited to 20% of the market value of the investment portfolio and denominated in Canadian dollars.

The Plan holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the investment manager.

The Plan's pooled funds are comprised of:

	Market Value (in thousands of dollars)	
	2000	1999
Canadian Equity	$ 33,579	$ 40,891
Global Equity	138,459	121,980
Fixed Income Funds	94,999	-
Other Canadian	34,986	-
	$302,023	$162,871

Mortgages

All mortgages are secured by Canadian commercial properties and have effective and stated interest rates of 7.7% to 11.07% (1999 - 7.3% to 11.07%) with an average remaining term to maturity of 5.8 years (1999 - 6.4 years). Principal and interest are receivable on a monthly basis.

Real Estate

Investments in real estate consist of Canadian commercial property.

Included in the totals for real estate are holdings of SaskPen Properties Ltd. and SaskMet Properties Ltd. totaling $2,100,538 (1999 – $2,081,772). SaskPen Properties Ltd. and SaskMet Properties Ltd. are real estate corporations beneficially owned by Crown managed pension funds in the Province of Saskatchewan. Investment income including the current period change in the market value of investments from these holdings totaled $198,206 (1999 - $385,669).

4. Due from General Revenue Fund

The Municipal Employees' Pension Plan's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty day borrowing rate and the Municipal Employees' Pension Plan's average daily bank account balance. The Government's thirty day borrowing rate for 2000 was 5.5% (1999 - 4.78%).

5. Earnings Allocation to Members

Part of the change in market values of investments is allocated annually to members of the Plan. The maximum market value change deferred to future years is 3% of the total market value of investments at December 31 of each year. Unallocated changes are recognized equally in each of the three subsequent years.

These unallocated changes are included as follows:

(in thousands)

	Members' Accumulated Balances	Unallocated Change in Market Value	Net Assets Available for Benefits
2000	$884,918	$28,455	$913,373
1999	$816,426	$26,051	$842,477

Interest is allocated annually to the individual member's account balances in accordance with the provisions of the governing legislation. In 2000, an interest rate of 9.1% (1999 - 11.1%) was approved by the Commission for the Money Accumulation Plan and 9.1% (1999 - 11.1%) for the Defined Benefit Plan. The interest allocated is investment income, the current year's allocation of the change in market values of the investments, less administration, custodian and investment managers fees.

6. Transfers, Refunds and Benefits

(in thousands)

	2000	1999
Transfers to other retirement plans	$ 294	$ 118
Transfers to locked-in RRSP	2,742	4,450
Lump sum payments to estates	911	403
Payments in lieu of annuities	340	651
Payments to insurance companies	-	5
Withdrawals with interest	2,982	1,509
	$7,269	$7,136

7. Obligations for Pension Benefits

The actuarial present value of pension benefits was determined using the projected benefit method prorated on services and the administrator's best estimate assumptions. An actuarial valuation was performed as at December 31, 1998 by AON Consulting Inc. and extrapolated to December 31, 2000. The 1983 Group Annuity Mortality Table was used in the valuation along with mortality improvements projected until year 2005.

The actuarial present value of pension benefits as at December 31 and the principal components of changes in actuarial present values during the year were as follows:

(in thousands)

	2000	1999
Actuarial present value of pension benefits, at beginning of the year	$837,491	$675,343
Interest accrued on benefits	57,854	53,904
Benefits accrued	35,379	33,142
Benefits paid	(32,084)	(29,477)
Change of assumptions	-	19,619
Net cost of plan improvements	-	84,960
Experience loss	4,790	-
Actuarial present value of pension benefits, at end of the year	903,430	837,491
Net assets available for benefits excluding the accumulated provision for annuities payable	953,134	876,563
Excess of net assets available for benefits over actuarial present value of pension benefits	$ 49,704	$ 39,930

The actuarial present value of pension benefits includes the accumulated provision for annuities payable, based upon a valuation performed by AON Consulting Inc., valued at $39,761,000 as at December 31, 2000 (1999 - $34,086,000). This actuarial assumption uses the 1983 Group Annuity Mortality Table and the interest rate disclosed below.

Other assumptions used in determining the actuarial present value of pension benefits were:

	2000	1999
Interest rate	6.75%	6.75%
Salary escalation rate	4% to 5%	3.5% to 5%
Inflation	3% to 4%	2.5% to 4%
Indexation of Pensions	100% of inflation	100% of inflation

The actuarial present value of pension benefits is based on a number of assumptions about future events including: interest rates, rate of salary increases, inflation rates, mortality rates, retirement rates and termination rates. The actual rates may vary significantly from the long term assumptions used.

The following illustrates the effect of changing certain assumptions from the long term assumptions of inflation 4%, 5% for salary and an interest rate of 6.75%:

	Long Term Assumptions					
	Inflation		Salary Escalation Rate		Interest Rate	
	3%	5%	4%	6%	5.75%	7.75%
Increase (decrease) in liability	1.12%	(1.00%)	(2.18%)	2.53%	16.45%	(12.62%)

8. Administration Expenses

The annual operating expenditures associated with the Plan's administration are paid to the Public Employees Benefits Agency Revolving Fund except for custodial fees and investment management fees which are paid directly.

	(in thousands of dollars)			
	2000		1999	
	Budget	Actual	Budget	Actual
Administration costs	$2,508	$2,279	$1,946	2,251
Custodial fees	121	104	124	86
Investment management fees	1,883	1,802	1,605	1,596
	$4,512	$4,185	$3,675	$3,933

9. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, board and commissions are related since all are controlled by the Government. Costs charged by the Public Employees Benefits Agency Revolving Fund in administering the Plan are reflected in these financial statements.

The Plan holds $3,074,461 (1999 - $4,575,601) Province of Saskatchewan Bonds and Debentures. Investment income on these bonds and debentures, including the current period change in the market value of investments, was $567,169 (1999 - $(189,404)).

Other related party transactions are disclosed separately in these financial statements.

Account balances resulting from the above transactions are included in the statement of net assets available for benefits and are settled at agreed upon exchange amounts.

10. Investment Performance

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long term horizon of the Plan's liabilities, the Plan takes a long term investment perspective. The strategy employed to achieve these objectives is to use investment managers to invest cash flows from contributions, maturing debentures, and investment returns into assets such as Canadian equities, pooled funds, money market securities, and bonds.

The investment managers make day-to-day decisions on whether to buy or sell investments in order to achieve the long term performance objectives set by the Commission. The Commission reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over 4 year rolling periods. The primary long term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2000	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	10.4%	12.7%
Target rate of return (b)	6.0%	10.8%

(a) The annual returns are before deducting investment expenses.
(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 Index, Standard & Poors 500 US Stock Index and the Scotia Capital Markets Universe Bond Index.

11. Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

For the following financial instruments including:

a) cash,
b) short-term investments,
c) accounts receivable, and
d) accounts payable

the cost approximates the fair value due to their immediate or short-term maturity.

The fair values of investments are considered to be market value, the calculation of which is detailed in Note 2.

The fair value of the accumulated provision for annuities payable, as well as the accrued pension benefit liability, cannot be readily determined, however information about these liabilities is provided in Note 7.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Public Employees Dental Fund as at December 31, 2000 and the statements of operations and net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
February 22, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

PUBLIC EMPLOYEES DENTAL FUND
STATEMENT OF FINANCIAL POSITION

STATEMENT 1

AS AT DECEMBER 31

	2000	1999 (Restated- Note 3)
ASSETS		
Due from General Revenue Fund (Note 4)	$8,968,530	$7,152,904
Employer contributions receivable (Note 7)	566,750	470,617
Other receivable	31,653	-
Total Assets	$9,566,933	$7,623,521
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable (Note 7)	$ 111,978	$ 106,589
Unpaid claims (Note 8)	1,231,980	1,368,237
	1,343,958	1,474,826
NET ASSETS (STATEMENT 2)	8,222,975	6,148,695
TOTAL LIABILITIES AND NET ASSETS	$9,566,933	$7,623,521

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES DENTAL FUND
STATEMENT OF OPERATIONS AND NET ASSETS

STATEMENT 2

YEAR ENDED DECEMBER 31

	2000		1999
	Budget (Note 9)	Actual	Actual (Restated- Note 3)
REVENUE			
Employer contributions	$13,145,000	$13,239,058	$12,567,444
Interest (Note 4)	450,000	432,837	266,977
	13,595,000	13,671,895	12,834,421
EXPENSES			
Claims incurred	10,275,000	11,118,659	9,673,630
Adjudication fees	322,000	349,771	351,057
Administration expenses (Note 5)	271,699	129,185	192,757
	10,868,699	11,597,615	10,217,444
Surplus for the year	2,726,301	2,074,280	2,616,977
NET ASSETS, BEGINNING OF YEAR	6,414,482	6,148,695	3,531,718
NET ASSETS, END OF YEAR (STATEMENT 1)	$ 9,140,783	$ 8,222,975	$ 6,148,695

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES DENTAL FUND
STATEMENT OF CASH FLOWS

STATEMENT 3

YEAR ENDED DECEMBER 31

	2000	1999
Cash flows from operating activities:		
Net employer contributions received	$ 13,142,926	$12,616,936
Interest received	432,837	266,977
Claims paid	(11,254,916)	(9,282,147)
Administration expenses paid	(117,290)	(205,764)
Adjudication fees paid	(356,278)	(343,490)
Bank charges paid	(31,653)	-
Net increase in cash	1,815,626	3,052,512
DUE FROM GENERAL REVENUE FUND, BEGINNING OF YEAR	7,152,904	4,100,392
DUE FROM GENERAL REVENUE FUND, END OF YEAR	$ 8,968,530	$ 7,152,904

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES DENTAL FUND
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Description of the Fund

The Public Employees Dental Fund is used to account for the transactions of the Public Employees Dental Plan. The Plan was established February 1, 1982 and continues under subsection 64(2) of *The Financial Administration Act, 1993*. The Plan is designed to promote good dental health among plan members by reducing the members' costs for preventive, routine and major dental services.

The Plan is funded entirely by the employers who are members of the Plan. Employers consist of the Public Service of Saskatchewan as defined by the *Public Service Act* and certain Saskatchewan crown agencies, whose participation in the Plan has been approved by the Lieutenant Governor in Council. The contribution rate is 1% of regular pay. In addition to this, certain employers pay an additional amount to cover enhanced dental benefits. Premiums on enhanced dental benefits are adjusted for experience.

Claims are adjudicated and processed for payment by the Canada Life Assurance Company.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Premium Revenue

Employers are billed premiums at the end of each month. Premiums are recognized as revenue when due.

b) Unpaid Claims

The provision for unpaid claims represents a provision for the cost of claims reported but not paid prior to year end and an estimate of claims incurred but not reported based upon the claims settlement experience.

The estimate of administrative expenses to be incurred on claims settlement is included in the provision for unpaid claims. The estimates are necessarily subject to uncertainty and are selected from a range of possible outcomes.

c) Cash and Cash Equivalents

Cash consists of the Due from General Revenue Fund.

3. Prior Period Adjustment

In 1999, management of PEBA and employers agreed to discontinue charging employers premiums for those employees who were on leave or temporary layoff effective January 1, 1999. However, in 1999 management inadvertently assessed employers a premium for persons who were on leave or temporary layoff and recorded that premium as 1999 revenue and an accounts receivable as at December 31, 1999. Management has corrected this error retroactively and have restated the Fund's 1999 financial statements.

As a result of this adjustment, the Fund's previously reported revenue for 1999 and surplus for the year were both decreased by $265,787. Also as at December 31, 1999, the previously reported accounts receivable and net assets were both decreased by $265,787.

4. Due from General Revenue Fund

The Public Employees Dental Fund Bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Dental Fund's interest income is calculated and paid by the General Revenue Fund on a quarterly basis into the Dental Fund's bank account using the Government's thirty day borrowing rate, and the fund's average daily bank account balance. The Government's average thirty day borrowing rate in 2000 was 5.50% (1999 – 4.78%).

5. Administrative Expenses

The Public Employees Benefits Agency Revolving Fund administers the Public Employees Dental Fund for a mutually agreed upon fee. The Public Employees Dental Fund pays the administration expenses to the Public Employees Benefits Agency Revolving Fund on agreed upon dates.

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan, collectively referred to as "related parties".

All employer contributions and employer contribution receivables are from related parties.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.

7. Financial Instruments

Employer contribution receivables and accounts payable are due or payable within the next year. Due to the short-term maturity, the fair value of these instruments approximate carrying value. The Fund is exposed to minimal credit risk from the potential non-payment of accounts receivable as these receivables are from government agencies and were collected shortly after year end.

8. Provision for Unpaid Claims

Management estimated the provision for unpaid claims at December 31, 2000 was $1,231,980 (1999 - $1,368,237). There are a number of factors used to estimate the provision, such as the Fund's experience with claims, and historical trends involving claim payments. Dental claims are short-tail claims and tend to be reasonably predictable. The determination of the fair value for the claims is not practical.

The establishment of the provision for unpaid claims relies on a number of factors which necessarily involves risks that the actual results may differ materially from the estimates in the near term. In 2000, the Fund paid $1,373,113 related to claims incurred prior to December 31, 1999.

9. Budget

The Public Employees Benefits Agency prepares and approves the budget.

10. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Public Employees Disability Income Fund as at December 31, 2000 and the statements of operations and net assets and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Fred Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
February 27, 2001

PUBLIC EMPLOYEES DISABILITY INCOME FUND STATEMENT OF FINANCIAL POSITION

STATEMENT 1

AS AT DECEMBER 31

	2000	1999
ASSETS		
Current Assets:		
Cash	$ 80	$ 2,141
Accounts receivable (Note 8)	536,017	442,723
Receivable from Co-operators Life Insurance Company (Note 8)	392,818	143,643
	928,915	588,507
Due from Co-operators Life Insurance Company	52,080,850	47,344,415
Total assets	$53,009,765	$47,932,922
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable (Note 8)	$ 192,235	$ 432,212
Provision for claims payable (Note 3)	36,745,000	34,438,000
Total Liabilities	36,937,235	34,870,212
NET ASSETS (Statement 2)	16,072,530	13,062,710
TOTAL LIABILITIES AND NET ASSETS	$53,009,765	$47,932,922

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES DISABILITY INCOME FUND STATEMENT OF OPERATIONS AND NET ASSETS

STATEMENT 2

YEAR ENDED DECEMBER 31

	2000		1999
	Budget (Note 9)	Actual	Actual
REVENUE			
Premiums	$ 5,810,000	$ 6,080,609	$ 5,727,678
Investment income	3,500,000	5,975,756	2,583,976
	9,310,000	12,056,365	8,311,654
EXPENSE			
Disability benefits	5,720,000	5,689,623	5,723,649
Change in provision for claims payable (Note 3)	-	2,307,000	4,198,000
Administration (Note 4)	696,390	618,633	569,936
Adjudication fees	225,000	314,644	196,718
Management fees (Note 5)	110,000	116,645	106,014
	6,751,390	9,046,545	10,794,317
Surplus (Deficit) for the year	2,558,610	3,009,820	(2,482,663)
NET ASSETS, BEGINNING OF YEAR	13,062,710	13,062,710	15,545,373
NET ASSETS, END OF YEAR - Statement 1	$15,621,320	$16,072,530	$13,062,710

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES DISABILITY INCOME FUND STATEMENT OF CASH FLOWS

STATEMENT 3

YEAR ENDED DECEMBER 31

	2000	1999
Cash flows from operating activities:		
Premiums received	$ 5,739,286	$ 5,948,451
Disability benefits paid	(6,051,747)	(5,385,188)
Administration expenses paid	(497,632)	(587,001)
Adjudication fees paid	(314,644)	(196,718)
Management fees paid	(116,645)	(106,014)
	(1,241,382)	(326,470)
Cash flows from investing activities:		
Proceeds from sale of investments	5,975,756	2,583,977
Purchase of investments	(4,736,435)	(2,256,250)
	1,239,321	327,727
Net (Decrease) Increase in cash	(2,061)	1,257
CASH, BEGINNING OF YEAR	2,141	884
CASH, END OF YEAR	$ 80	$ 2,141

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES DISABILITY INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Description of Fund

The Public Employees Disability Income Fund (PEDIF) is a special purpose fund used to account for the premiums, claims, investment and certain administrative transactions of the Disability Income Plan (Plan). The Plan continues under subsection 64(2) of *The Financial Administration Act, 1993*.

This Plan is managed by the Public Employees Benefits Agency (PEBA) and provides a level of income protection during periods of occupational or total disability. Plan participants are certain employees of the public service of the Province of Saskatchewan and Saskatchewan Crown agencies, whose participation in the Plan has been approved by the Lieutenant Governor in Council. The Plan is administered under the terms of an agreement with The Co-operators Life Insurance Company.

Employees and employers pay premiums. Employees contribute 0.48% of their basic monthly salary and employers contribute 0.54%, except for some plan participants where the employer pays 100%.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Benefit Expense

Benefit expense is recognized commencing in the year the claim is approved.

b) Due from Co-operators Life Insurance Company (Co-operators)

According to the agreement between PEBA and Co-operators, Co-operators has established a segregated fund for the investment of PEDIF monies. The balance in this segregated fund is a debt due by Co-operators to PEDIF and is represented by the investments held in the segregated fund.

The segregated fund is valued at market and any increase/decrease in the value of the segregated fund is accounted for in the statement of operations and net assets as investment income.

Fair value of the segregated fund approximates its market value.

c) Provision for Claims Payable

The provision for claims payable represents the present value of future payments arising from claims made prior to year end. This provision includes an amount for claims incurred but not reported. The present value is determined pursuant to an actuarial valuation. Any resulting change in this liability is recognized as a revenue or expense in the statement of operations and net assets.

d) Cash

Cash consists of balances with the bank.

3. Actuarial Valuation

An actuarial valuation was performed by Aon Consulting Inc. as at December 31, 2000 and as at December 31, 1999 to value the liability for the future cost of claim payments to disabled members which includes a provision for claims incurred but not reported.

The actuarial present value of claims as at December 31 and the principal components of the change in actuarial present value during the year, were as follows:

	2000	1999
Actuarial present value of future claims at beginning of year	$34,438,000	$30,240,000
Interest accrued on benefits	2,152,000	2,081,000
Experience gain	(1,230,000)	(159,000)
Change in assumptions	556,000	583,000
New Claims	6,668,000	6,297,000
Expected Benefits payments	(5,839,000)	(4,604,000)
Actuarial present value, at end of year	$36,745,000	$34,438,000

The valuation is based on the following assumptions: 1) the allowance for claim termination is based on the 1987 Group Long Term Disabilities valuation tables published by the Society of Actuaries adjusted for experience; 2) the interest rate assumed is 6.25% (1999 – 6.25%); 3) a maximum 3% consumer price indexing of benefits before offset each year; 4) the inflation rate assumed is 3.25% for all future years (1999 - 2% for the first three years and 3% thereafter).

The amount of benefits payable under the Disability Income Plan may be increased on October 1 each year. The increase in benefits is indexed, subject to a maximum of 3% per annum, to the Consumer Price Index for the year ending on the immediately preceding July 1.

If the valuation assumed no cost of living allowance indexing of benefits each year, the liability at December 31, 2000 would be $30,269,000 (1999 - $29,207,000).

The liability for future claims is based on a number of assumptions about future events including: recovery and mortality rates, interest rate and expected benefits from other sources. The actual experience may vary significantly from the assumptions used.

The following illustrates the effect of changes in the interest rate, cost of living adjustment and recovery rates.

- a 1% change in interest rate equals a 6.5% change in the liability including the cost of living adjustment
- a change in the cost of living adjustment of 1% equals a 6.8% change in the liability
- a 10% change in recovery rates equals a 5.5% change in the liability

The liability is long term in nature. The Fund has no intention of settling its obligation in the near term. Therefore it is not practical for the Fund to determine the fair value of its obligation.

4. Administration Expenses

The Public Employees Benefits Agency Revolving Fund administers the Public Employees Disability Income Fund for a mutually agreed upon fee. The Public Employees Disability Income Fund pays the annual administration expenses to the Public Employees Benefits Agency Revolving Fund on agreed upon dates.

5. Management Fees

The Minister of Finance is authorized to invest any part of the monies standing to the credit of the Disability Income Fund in any securities authorized for investment pursuant to the "Investment Policy Guidelines".

The Co-operators Investment Counselling Limited invests the monies of the Fund under a contract to provide services. The Fund pays management fees to the Co-operators Investment Counselling Limited.

6. Legal

The Government of Saskatchewan is a party to a number of lawsuits relating to disability benefits for amounts totalling $448,259. The ultimate outcome of these lawsuits is not yet determinable. Benefit payments arising from the resolution of these lawsuits will be accounted for as an expenditure of the year in which the settlement occurs.

7. Investment Performance

The Fund's investments are represented by the amounts due from Co-operators Life Insurance Company (see note 2). Following is a summary of the Fund's investment performance:

	2000	Four year annualized return
Fund (a)	12.7%	10.5%
Benchmark (b)	5.9%	9.4%

(a) The annual returns are before deducting investment expenses.

(b) The benchmark return is the Fund's target rate of return for its segregated fund. The benchmark return is calculated using actual returns and the Fund's planned investment portfolio for its segregated fund.

8. Accounts Receivable/ Receivable from Co-operators Life Insurance Company/Accounts Payable

These financial instruments are non-interest bearing and are due or payable within the next year. Due to this short-term maturity, the fair value of these financial instruments approximates carrying value. The Fund is exposed to minimal credit risk from the potential non-payment of accounts receivable because they are from government organizations.

9. Budget

PEBA prepares and approves the Public Employees Disability Income Fund's budget. PEBA included the Public Employees Disability Fund's budget in PEBA's budget submission to Treasury Board.

10. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan collectively referred to as "related parties". These transactions are recorded at agreed upon exchange amounts.

Due to the nature of the Fund, substantially all premiums are received from related parties.

At year-end, the following amounts were due to/from related parties as a result of the transactions referred to above:

	2000	1999
Accounts receivable	$471,398	$379,250
Accounts payable	$179,526	$58,524

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Public Employees Group Life Insurance Fund as at December 31, 2000 and the statements of operations and net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

F. Wendel

Regina, Saskatchewan
February 27, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

PUBLIC EMPLOYEES GROUP LIFE INSURANCE FUND
STATEMENT OF FINANCIAL POSITION

STATEMENT 1

AS AT DECEMBER 31

	2000	1999
ASSETS		
Current Assets:		
Cash	$ 81,202	$ 80,796
Accounts receivable (Note 8)	533,369	699,088
Receivable from Co-operators Life Insurance Company (Note 8)	208,584	690,623
	823,155	1,470,507
Due from Co-operators Life Insurance Company	44,885,257	38,270,368
Total assets	$45,708,412	$39,740,875
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable (Note 8)	$ 159,883	$ 237,410
Claims payable (Note 8)	793,399	692,105
	953,282	929,515
Payable to SaskPower (Note 4)	299,857	274,135
Provision for life insurance benefits (Note 3)	23,623,800	21,884,900
Total Liabilities	24,876,939	23,088,550
NET ASSETS (Statement 2)	20,831,473	16,652,325
TOTAL LIABILITIES AND NET ASSETS	$45,708,412	$39,740,875

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES GROUP LIFE INSURANCE FUND STATEMENT 2
STATEMENT OF OPERATIONS AND NET ASSETS

YEAR ENDED DECEMBER 31

	2000		1999
	Budget (Note 9)	Actual	Actual
REVENUE			
Premiums	$ 9,315,000	$ 9,272,369	$ 9,174,167
Investment income	4,000,000	4,944,876	2,032,346
	13,315,000	14,217,245	11,206,513
EXPENSE			
Claims	7,200,000	7,678,092	7,030,085
Change in provision for life insurance benefits	-	1,738,900	5,781,900
Administration (Note 5)	259,952	140,839	183,339
Premium taxes - General Revenue Fund	280,000	206,106	164,201
Adjudication fees	170,000	176,511	157,557
Management fees (Note 6)	95,000	97,649	85,081
	8,004,952	10,038,097	13,402,163
Surplus (Deficit) for the year	5,310,048	4,179,148	(2,195,650)
NET ASSETS, BEGINNING OF YEAR	16,652,325	16,652,325	18,847,975
NET ASSETS, END OF YEAR - Statement 1	$21,962,373	$20,831,473	$16,652,325

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES GROUP LIFE INSURANCE FUND STATEMENT OF CASH FLOWS

STATEMENT 3

YEAR ENDED DECEMBER 31

	2000	1999
Cash flows from operating activities:		
Premiums received	$ 9,864,330	$ 8,809,178
Claims paid	(7,576,798)	(7,533,110)
Administration expenses paid	(137,757)	(197,552)
Premium taxes paid	(205,383)	(164,261)
Adjudication fees paid	(176,323)	(157,576)
Management fees paid	(97,650)	(85,081)
	1,670,419	671,598
Cash flows from investing activities:		
Proceeds from sale of investments	4,944,876	2,032,346
Purchase of investments	(6,614,889)	(2,626,469)
	(1,670,013)	(594,123)
Net increase in cash	406	77,475
CASH, BEGINNING OF YEAR	80,796	3,321
CASH, END OF YEAR	$ 81,202	$ 80,796

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES GROUP LIFE INSURANCE FUND
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Description of Fund

The Public Employees Group Life Insurance Fund (PEGIF) is a special purpose fund used to account for the premiums, claims, investment and certain administrative transactions of the Group Life Insurance Plan (Plan). The Plan continues under subsection 64(2) of *The Financial Administration Act, 1993.*

This Plan is managed by the Public Employees Benefits Agency (PEBA) and provides comprehensive life insurance coverage to certain members of the public service of the Province of Saskatchewan and other Saskatchewan Crown agencies, whose participation in the Plan has been approved by the Lieutenant Governor in Council. The Plan provides life insurance coverage for a specific period without a medical examination. The coverage is renewed automatically every year to a maximum age of sixty-five. An election can be made by the member to continue insurance coverage from sixty-five to seventy-five years old at a higher premium rate. The Plan insurance coverage does not include accumulation of cash values. The Plan is administered under the terms of an agreement with The Co-operators Life Insurance Company.

Claims are adjudicated and processed for payment by the Co-operators Life Insurance Company.

Premiums are paid by the employers on the first $25,000 of coverage. Employees pay for the remainder of their coverage at a rate of $0.25 to $0.27 per month per $1,000 coverage.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Due from Co-operators Life Insurance Company (Co-operators)

According to the agreement between PEBA and Co-operators, Co-operators has established a segregated fund for the investment of PEGIF's monies. The PEGIF's units in the fund represents a debt due by Co-operators. This debt is represented by the segregated fund.

The segregated fund is valued at market and any increase/decrease in the value of the segregated fund is accounted for in the statement of operations and net assets as investment income.

Fair value of the segregated fund approximates its market value.

b) Provision for Life Insurance Benefits

Group Life policies are considered yearly termed life policies that are automatically renewed every year. Under such life policies, claims are recorded in the year of the claim. The provision for life insurance benefits represents the present value of future payments arising from benefits for disabled employees whose premiums have been waived. This provision includes an amount for benefits incurred but not reported. The provision also includes the present value of the retirement death benefit certificates for those employees who retired prior to year-end. The present value is determined pursuant to an actuarial valuation. Any resulting change in the liability pursuant to the valuation is recognized as a revenue or expense item in that year's operations.

c) Claims Expense

Claims expense includes future payments arising from life claims received during the year and life claims received after the year for fatalities that occurred during the year.

d) Cash

Cash consists of balances with the bank.

3. Actuarial Valuation

An actuarial valuation was performed by Aon Consulting Inc. as at December 31, 2000 and as at December 31, 1999 to value the liability of making future benefit payments to disabled members whose premiums have been waived prior to year end and the retirement death benefit certificates for those members who retired prior to year end.

The actuarial present value of future benefits as at December 31 and the principal components of the change in actuarial present value during the year, were as follows:

	2000	
	Waived Premiums	**Retirement Certificates**
Actuarial present value of future benefits at beginning of year	$15,433,800	$6,451,100
Interest accrued on benefits	964,600	385,100
Experience (gain) loss	(2,796,100)	32,000
New Claims	4,922,200	704,000
Expected Benefit payments	(2,216,000)	(256,900)
Actuarial present value at end of year	$16,308,500	$7,315,300

The liability as at December 31, 2000 is $23,623,800 (1999 - $21,884,900) and included $7,315,300 (1999 - $6,451,100) for retirement death benefit certificates. The remainder was for waived premiums.

The valuation is based on the following assumptions: 1) the life waiver valuation is based on the 1970 Group Life Waiver Valuation Table for recovery and 150% of the 1993 Canada Pension Disabled Life Mortality Experience Table for death rates; 2) the interest rate assumed is 6.25%; 3) the mortality rates of existing retirees are based on the Canadian Life 1990-92 tables; 4) a maximum 3% consumer price indexing of future benefit payments to disabled members whose life insurance premiums have been waived; 5) the inflation rate assumed is 3.25% for all future years (1999 – 2% for the first 3 years and 3% thereafter).

If the valuation assumed no cost of living allowance indexing of disability benefits each year, the liability at December 31, 2000 would be $20,943,600 (1999 - $19,363,500).

The liability for future benefits to disabled members whose premiums have been waived prior to year end and the retirement death benefit certificates for those members having retired prior to year end are based on a number of assumptions about future events including: recovery and mortality rates and interest rates. The actual experience may vary significantly from the assumptions used.

The following illustrates the effect of changes in the interest rate and mortality on retirement death benefit certificates:

- a 1% change in the interest rate equals a 17.8% change in the liability including the cost of living adjustment
- a 10% change of the Group Life Insurance mortality equals a 7% change in the liability

The following illustrates the effect of changes in the interest rate, cost of living adjustment and mortality on group life waivers:

- a 1% change in the interest rate equals a 6.3% change in the liability including the cost of living adjustment
- a change in the cost of living adjustment of 1% equals a 5.9% change in the liability
- a change of waiver mortality by 10% equals a 6.6% change in the liability

The liability is long term in nature. Management has no intention of settling its obligation in the near term. Therefore it is not practical to determine the fair value of this liability.

4. Retirement Death Benefit Certificate

Effective January 1, 1991, PEGIF began issuing a $3,000 paid up life insurance policy (Retirement Death Benefit Certificate) to retired employees of this plan. The value was increased to $5,000 effective April 1, 1993 for those individuals retiring on or after this date.

SaskPower, SaskEnergy, SGI, Sask Property Management Corp. and the public service in conjunction with CUPE 600 provide a $10,000 paid up life insurance policy to their employees. Additional premiums are submitted for this enhanced benefit.

The paid up certificate remains in force and has no cash value until the employee's death, at which time the face value is payable to the designated beneficiary.

The liability for the paid up policies is included in the provision for life insurance benefits liability shown in the statement of financial position, with the exception of the enhanced portion of the paid up policy of SaskPower. PEGIF has an agreement with SaskPower transferring the liability to the corporation effective 1998. PEGIF continues to collect premiums and pay claims on the corporation's behalf. Accordingly, a payable to SaskPower exists as the current activity to date has premiums exceeding claims.

5. Administration Expenses

The Public Employees Benefits Agency Revolving Fund administers the Public Employees Group Life Insurance Fund for a mutually agreed upon fee. Public Employees Group Life Insurance Fund pays the annual administration expenses to the Public Employees Benefits Agency Revolving Fund on agreed upon dates.

6. Management Fees

The Minister of Finance is authorized to invest money of the Group Life Insurance Fund in any securities authorized for investment under the "Investment Policy Guidelines".

The Co-operators Investment Counselling Limited invests the monies of the Fund under a contract to provide services. The Fund pays management fees to the Co-operators Investment Counselling Limited.

7. Investment Performance

The Fund's investments are represented by the amounts due from Co-operators Life Insurance Company (see note 2).

The following is a summary of the Fund's investment performance:

	2000	Four year annualized return
Fund (a)	12.5%	10.4%
Benchmark (b)	5.9%	9.4%

(a) The annual returns are before deducting investment expenses.

(b) The benchmark return is the Fund's target rate of return for its segregated fund. The benchmark return is calculated using actual returns and the Fund's planned investment portfolio for its segregated fund.

8. Accounts Receivable / Receivable from Co-operators Life Insurance Company/Accounts and Claims Payable

These financial instruments are non-interest bearing and are due or payable within the next year. Due to this short-term maturity, the fair value of these financial instruments approximates carrying value. The Fund is exposed to minimal credit risk from the potential non-payment of accounts receivable because they are from government organizations.

9. Budget

PEBA prepares and approves the Public Employees Group Life Insurance Fund's budget. PEBA included the Public Employees Group Life Insurance Fund's budget in PEBA's budget submission to Treasury Board.

10. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan collectively referred to as "related parties". These transactions are recorded at agreed upon exchange amounts.

Due to the nature of the Fund, all premiums have been received from related parties.

At year-end, the accounts receivable and accounts payable are due to/from related parties.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan

We have audited the statement of net assets available for benefits of the Public Employees Pension Plan as at March 31, 2001 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Public Employees Pension Plan as at March 31, 2001 and the changes in its net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada
May 18, 2001

PUBLIC EMPLOYEES PENSION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

STATEMENT 1

AS AT MARCH 31

(in thousands of dollars)

	2001			2000
	Balanced Fund	Pre-Retirement Fund	Total	Total
ASSETS				
Investments (Note 3)				
Short-term	$ 52,534	$ 124	$ 52,658	$ 74,806
Bonds	253,171	9,684	262,855	421,824
Equities	537,665	-	537,665	506,530
Pooled Funds	1,549,574	-	1,549,574	1,419,243
Mortgages	3,546	-	3,546	3,683
Real Estate	70,432	-	70,432	42,382
	2,466,922	9,808	2,476,730	2,468,468
Receivables				
Contributions receivable	2,100	-	2,100	2,468
Accrued investment income	4,979	181	5,160	8,217
Due from Balanced Fund	-	2	2	43
	7,079	183	7,262	10,728
Cash	110	4	114	64
Due from General Revenue Fund (Note 6)	2,840	1,656	4,496	8,957
Total Assets	2,476,951	11,651	2,488,602	2,488,217
LIABILITIES				
Administrative expenses payable (Note 7)	2,066	18	2,084	1,058
Refunds, transfers and other payables	56	-	56	1,563
Due to Pre-Retirement Fund	2	-	2	43
Total Liabilities	2,124	18	2,142	2,664
NET ASSETS AVAILABLE FOR BENEFITS	$2,474,827	$11,633	$2,486,460	$2,485,553

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES PENSION PLAN STATEMENT 2
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED MARCH 31

(in thousands of dollars)

	2001			2000
	Balanced Fund	Pre-Retirement Fund	Total	Total
INCREASE IN ASSETS				
Investment income				
Interest	$ 26,163	$ 617	$ 26,780	$ 57,264
Dividends	97,108	-	97,108	37,585
Mortgages	260	-	260	288
Real Estate	3,526	-	3,526	3,185
Other	271	-	271	224
	127,328	617	127,945	98,546
Current period change in market value of investments	(129,240)	98	(129,142)	232,669
Contributions				
Employees	48,605	161	48,766	47,529
Employers	51,512	161	51,673	48,016
Interfund transfers	561	4,231	4,792	1,300
Reciprocal transfers in	7,837	-	7,837	9,002
	108,515	4,553	113,068	105,847
Total Increase in Assets	106,603	5,268	111,871	437,062
DECREASE IN ASSETS				
Administrative expenses (Note 7)	5,528	34	5,562	5,217
Transfers, refunds and benefit payments (Note 5)	85,502	2,569	88,071	61,193
Transfer to Annuity Fund				
Contributions	16,974	276	17,250	9,354
Interest	80	1	81	92
Total Decrease in Assets	108,084	2,880	110,964	75,856
(Decrease) increase in net assets	(1,481)	2,388	907	361,206
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	2,476,308	9,245	2,485,553	2,124,347
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$2,474,827	$11,633	$2,486,460	$2,485,553

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2001

1. Description of Plan

The following description of the Public Employees Pension Plan is a summary only. For more complete information, reference should be made to the Plan text.

a) General

The *Public Employees Pension Plan Act* (the Act) is the legislative authority for the Public Employees Pension Plan (the Plan), which is a defined contribution plan that covers the employees of a number of government entities.

The Act established the Public Employees Pension Plan to accumulate all contributions and earnings for plan members. The Public Employees Pension Plan consists of two funds: the Balanced Fund and the Pre-Retirement Fund. The Pre-Retirement Fund began operations July 1, 1998.

The Balanced Fund receives and holds, in trust for members, contributions received from the members and employers (participants) and investment income derived from the fund's investments.

The Balanced Fund holds bonds, equities, real estate, mortgages and short-term investments. The Balanced Fund's mandate is to provide long-term capital appreciation for members. Allocation of income is based on the market value of the fund. The total available to a member upon termination or retirement is equal to the particular member's account at that date, subject to certain vesting and other specific rules governing the Plan.

The Pre-Retirement Fund (PRF) receives and holds, in trust for members, contributions received from the member and their employer as well as investment income derived from the fund's investments.

The PRF is available to all members. The PRF holds low risk mid-term income investments and is intended for those members who wish to protect themselves from the volatility of the investment markets. Participation in the PRF is at the discretion of the member. Allocation of income is based on the market value of the fund.

The total available to a member upon termination or retirement is equal to the balance in the particular member's account at that date, subject to certain vesting and other specific rules governing the Plan.

b) Administration

The Public Employees Pension Board (Pension Board) is established by Section 3 of the Act. The Pension Board is comprised of seven members that administer the Plan. The Public Employees Benefits Agency provides day-to-day administration.

c) **Retirement**

Members may retire as early as age 50, or after 35 years of service regardless of age.

Upon retirement an employee may purchase an annuity from the Pension Board pursuant to Section 20 of the Act, or from a private company that issues annuities.

Alternatively, the funds may be left in the Plan to continue to accumulate earnings to provide retirement income beginning no later than the end of the calendar year in which the member reaches age 69, be transferred to a Locked-in Retirement Account or, after age 50, to a Locked-in Retirement Income Fund, Life Income Fund or a Life Annuity from the Plan, or be transferred to another pension plan which has a reciprocal agreement with the Plan.

Members who purchase their annuities from the Pension Board have their accumulated balance in the Plan at the date of retirement transferred to the Saskatchewan Pension Annuity Fund.

d) **Completeness of Contributions**

Participants are responsible for the accuracy and completeness of member contributions remitted to the Plan and for the employee payroll information on which benefit payments are determined. Accordingly, these financial statements presume the accuracy and completeness of the participants' contributions and payroll information received from participants.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

Investments

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date.

Short-term investments are valued at cost which approximates market value.

Real estate is valued at market value as estimated by independent appraisals.

Mortgages are valued by discounting the present value of all income streams accruing to the mortgage. The discount rate applied to these income streams reflects the current market rate for comparable mortgages of a comparable term.

Pooled funds are valued based on the quoted market price of the underlying investments normally the current bid price.

The change in market value of investments during the year is reflected on the financial statements as a current period change in the market value of investments.

Fair value approximates market value of investments.

Foreign Currency Translation

Monetary items denominated in foreign currency are translated at the exchange rate in effect at year end. Investments, revenue and expense items are translated at the exchange rate in effect at the transaction date. Gains and losses arising on translation are included in the current period change in market value of the investments.

3. Investments

The Plan is a defined contribution plan whereby members bear the investment risk and reap the rewards of superior investment performance as there is no guarantee of pension benefits. The Plan is comprised of two funds: the Balanced Fund and the Pre-Retirement Fund. The Balanced Fund is designed for members whose primary objective is capital growth. The Pre-Retirement Fund is designed for members who wish to reduce their equity exposure as retirement approaches in order to preserve capital. These members have a low risk tolerance. As the primary objective of the Pre-Retirement Fund is capital preservation, its orientation is towards fixed income investments with a term to maturity of five years or less. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian equities, pooled funds, money market securities, and bonds.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's net assets and interest income. This risk arises from differences in the time and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Standard & Poors Bond Rating Service and/or Moody's Bond Rating Service.

Short-term Investments

Short-term investments are comprised of T-Bills, notes and commercial paper with effective rates of 4.6% to 6.1% in the Balanced Fund (2000 - 5.1% to 6.1%), and 5.4% in the Pre-Retirement Fund (2000 - 5.1% to 5.2%) and an average remaining term to maturity of 65 days in the Balanced Fund (2000 - 73 days) and 12 days in the Pre-Retirement Fund (2000 - 8 days).

The Plan's investment policy states that investments must meet a minimum investment standard of "R1" or equivalent rating by a recognized credit rating service.

Other than the Government of Canada, no single issue represents more than 7.0% of the market value (2000 - 10.0%) of the short-term investment portfolio.

Bonds and Debentures

The Plan's investment policy states that bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 15% of the market value of the total portfolio may be invested in BBB rated bonds. At March 31, 2001 the Balanced Fund held 0.4% (2000 - 0.1%) of its portfolio in BBB bonds.

BALANCED FUND

	2001 (000's)						2000 (000's)		
Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	71,042	17,934	23,028	112,004	5.74	0.00-8.75	128,662	5.55	0.00-8.00
5 – 10	18,625	26,510	18,905	64,040	6.35	5.45-10.75	107,339	6.27	5.50-8.75
Over 10	44,731	20,616	11,780	77,127	6.44	5.50-11.25	176,940	5.77	5.50-8.00
Market Value	134,398	65,060	53,713	253,171			412,941		

PRE-RETIREMENT FUND

	2001 (000's)					2000 (000's)		
Years to Maturity	Federal	Provincial	Total Market Value	Yield to Maturity at Market	Coupon Rate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	6,157	3,527	9,684	6.75	0.00-9.00	8,863	7.04	5.50-9.00

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

The Plan's investment policy allows no one holding to represent more than 10% of the market value of the related portfolio and no one holding to represent more than 10% of the common stock in any corporation. Foreign equities represent 25.2% (2000 - 24.0%) of the market value of the equity portfolio. All foreign equities are denominated in Canadian dollars. Dividends are generally declared on an annual basis. The Plan's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. The average dividend rate is 1.6% (2000 - 1.7%).

Pooled Funds

The Plan limits its investments in pooled equity funds to 10% of the market value of its investment portfolio. Foreign equities including foreign pooled funds, but excluding synthetic pooled funds, are limited to 30% of the cost of the investment portfolio and are denominated in Canadian dollars. The Plan limits its investments in synthetic pooled funds to 10% of the market value of its investment portfolio for the U.S. Equity Index fund and 4% of the market value of its investment portfolio for the U.S. Equity Mid Cap Index fund. The Plan's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager. The Plan's pooled funds are comprised of:

	Market Value (in thousands of dollars)	
	2001	2000
Canadian Equity		
Emerald Cdn Equity TSE 300	$ 96,052	$ 244,838
Newcastle Derivative Mid Cap Fund	113,866	63,096
Global Equity		
Greystone Emerging Market Fund	11,323	18,431
Greystone Non-North American Fund	90,083	151,025
Templeton Specialty Non-North American Fund	355,027	218,344
Fixed Income Funds		
Emerald Bond Fund	671,978	502,015
Other Canadian		
Emerald Synthetic US Equity Fund	211,245	221,494
	$1,549,574	$1,419,243

Newcastle Derivative Mid Cap Fund combines S&P 400 stock index futures with Canadian money market instruments to create a US equity investment, hedged into Canadian dollars. TD Asset's Emerald Synthetic US Equity Fund also uses US stock index futures combined with Canadian money market instruments to create a synthetic US equity investment.

Mortgages

All mortgages are secured by Canadian commercial properties and have effective and stated interest rates of 7.7% to 10.8% (2000 - 6.8% to 10.8%) with an average remaining term of 5.0 years (2000 - 6.0 years). Principal and interest are receivable on a monthly basis.

Real Estate

Investments in real estate consist of Canadian commercial property.

Included in Real Estate are investments of $4,210,414 (2000 - $4,173,993) in SaskPen Properties Ltd. SaskPen Properties Ltd. is a real estate corporation beneficially owned by Crown managed pension plans in the Province of Saskatchewan.

4. Earnings Allocation to Members

Investment income plus the current year's allocation of the change in the market values of investments less administrative expenses is allocated annually to the individual member's account balances in accordance with the provisions of the governing legislation. In 2001, an interest rate of –0.42% for the Balanced Fund (2000 - 15.36%), and 8.00% for the Pre-Retirement Fund (2000 - 4.38%) was approved by the Pension Board for the Plan.

5. Transfers, Refunds and Benefit Payments

	(in thousands of dollars) 2001	2000
Termination refunds	$ 623	$ 497
Death and lump sum benefits	3,706	2,741
Marital transfers	2,682	2,651
Transfers to registered retirement savings plans and to private companies providing annuities	78,133	54,043
Reciprocal transfers out	2,927	1,260
	$88,071	$61,193

6. Due from General Revenue Fund

The Plan's bank accounts are included in the Consolidation Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Plan's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Plan's bank accounts using the Government's thirty day borrowing rate and the Plan's bank account balance. The Government's average 30 day borrowing rate in 2001 was 5.59% (2000 - 4.79%).

7. Administration Expenses

The annual operating expenditures associated with the Plan's administration are paid to the Public Employees Benefits Agency Revolving Fund except for custodial fees and investment management fees which are paid directly.

	(in thousands of dollars) 2001 Budget	 2001 Actual	 2000 Budget	 2000 Actual
Administration costs	$2,048	$1,561	$1,955	$1,667
Custodial fees	400	417	311	353
Investment management fees	3,600	3,584	2,922	3,197
	$6,048	$5,562	$5,188	$5,217

8. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related since all are controlled by the Government. Costs charged by the Public Employees Benefits Agency Revolving Fund in administering the Plan are reflected in these financial statements.

The Plan holds $4,712,039 (2000 - $5,447,991) Province of Saskatchewan Bonds and Debentures with a yield of 5.9% (2000 - 5.8%). Investment income of $321,527 (2000 - $410,131) was recorded from the Province of Saskatchewan Bonds and Debentures.

Other related party transactions are disclosed separately in these financial statements.

Account balances resulting from the above transactions are included in the statement of net assets available for benefits and are settled on normal trade terms.

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Pension Board. The Pension Board reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	Rolling Four Year Average Annual Return Balanced Fund	
	2001	2000
Plan's actual rate of return (a)	11.1%	15.1%
Target rate of return (b)	9.7%	14.9%

(a) The annual returns are before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 Index, Nesbitt Burns Small Capitalization Canadian Stock Index, Standard & Poor's 500 US Stock Index, Standard and Poor's 400 Mid Capitalization U.S. Stock Index, Morgan Stanley, Europe, Australia and Far East Index, Russell Canadian Property Index, Scotia Capital Markets Universe Bond Index, and 91 Day Canadian Treasury Bill.

The Pre-Retirement Fund was first funded on July 7, 1998. The actual annualized rate of return for the Fund since inception to March 31, 2001 was 5.8%. The target rate of return over the same period was 5.7%. The target rate of return is based on the "All Governments" portion of the Scotia Capital Markets Short-term Bond Index.

10. Fair Value

For the following financial instruments:

a) contributions receivable
b) accrued investment income
c) cash
d) due from General Revenue Fund
e) due to Pre-Retirement Fund
f) administrative expenses payable
g) refunds, transfers and other payables, and
h) due from Balanced Fund

the carrying amount approximates fair value due to their immediate or short-term maturity.

The fair value of all other investments is considered to be market value, the determination of which is disclosed in note 2.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits of the Public Service Superannuation Plan as at March 31, 2001 and the statement of changes in net assets available for benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at March 31, 2001 and the changes in the net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 18, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

PUBLIC SERVICE SUPERANNUATION PLAN STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

STATEMENT 1

AS AT MARCH 31

	Anti-Tuberculosis League Employees Superannuation Fund		Sask Transportation Company Employees Superannuation Fund		Public Service Superannuation Fund		Total	
	(000's)		(000's)		(000's)		(000's)	
	2001	2000	2001	2000	2001	2000	2001	2000
ASSETS								
Investments (Note 3):								
Cash and short-term investments	$ -	$ -	$ 1,084	$ 877	$ -	$ -	$ 1,084	$ 877
Bonds and debentures	-	-	12,004	12,567	-	-	12,004	12,567
Equities	-	-	5,553	4,739	-	-	5,553	4,739
Pooled Funds	-	-	1,811	2,286	-	-	1,811	2,286
Mortgages	-	-	65	80	-	-	65	80
Real Estate	-	-	-	385	-	-	-	385
Receivables:								
Due from Gen. Revenue Fund (Notes 5 & 6)	25	33	10	1	586	364	621	398
Employees' contributions (Note 6)	-	-	4	8	411	400	415	408
Employers' contributions (Note 6)	-	-	4	8	40	42	44	50
Accrued investment income	-	-	182	198	-	-	182	198
Other receivables	2	1	1	1	-	-	3	2
Total Assets	$27	$34	$20,718	$21,150	$1,037	$806	$21,782	$21,990
LIABILITIES								
Administrative expense payable	$ -	$ 4	$ 12	$ 21	$ -	$ -	$ 12	$ 25
Other payables	-	-	133	-	1,037	806	1,170	806
Total Liabilities	-	4	145	21	1,037	806	1,182	831
NET ASSETS AVAILABLE FOR BENEFITS	$27	$30	$20,573	$21,129	$ -	$ -	$20,600	$21,159

(See accompanying notes to the financial statements)

PUBLIC SERVICE SUPERANNUATION PLAN STATEMENT 2
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED MARCH 31

	Anti-Tuberculosis League Employees Superannuation Fund (000's)		Sask Transportation Company Employees Superannuation Fund (000's)		Public Service Superannuation Fund (000's)		Total (000's)	
	2001	2000	2001	2000	2001	2000	2001	2000
INCREASE IN ASSETS:								
Investment income								
Interest	$ -	$ -	$ 823	$ 740	$ -	$ -	$ 823	$ 740
Dividends-Equities	-	-	78	72	-	-	78	72
Dividends-Pooled Funds	-	-	123	119	-	-	123	119
Real Estate	-	-	2	39	-	-	2	39
Mortgages	-	-	6	7	-	-	6	7
Other	2	2	2	2	-	-	4	4
	2	2	1,034	979	-	-	1,036	981
Market value adjustment	-	-	213	910	-	-	213	910
Contributions (Note 6)								
Employees'	3	4	102	109	5,786	5,805	5,891	5,918
Employers'	4	4	102	109	459	491	565	604
	7	8	204	218	6,245	6,296	6,456	6,522
Deficiency payment from General Revenue Fund (Note 6)	707	730	-	-	85,732	83,271	86,439	84,001
Total increase in assets	716	740	1,451	2,107	91,977	89,567	94,144	92,414
DECREASE IN ASSETS:								
Administration expense (Note 7)	12	31	77	123	-	-	89	154
Superannuation allowances	707	730	1,796	1,753	90,167	88,798	92,670	91,281
Refunds and transfers								
Contributions	-	-	33	29	543	200	576	229
Interest	-	-	34	34	868	266	902	300
Equity on death	-	-	-	-	79	127	79	127
Marital breakdown	-	-	-	-	106	43	106	43
Employer matching on reciprocal transfer	-	-	67	-	214	133	281	133
Total decrease in assets	719	761	2,007	1,939	91,977	89,567	94,703	92,267
Net (decrease) increase in assets	(3)	(21)	(556)	168	-	-	(559)	147
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	30	51	21,129	20,961	-	-	21,159	21,012
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$ 27	$ 30	$20,573	$21,129	$ -	$ -	$20,600	$21,159

(See accompanying notes to the financial statements)

PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2001

1. Description of the Plan

a) General

The Public Service Superannuation Board (Board) administers the funds that make up the Public Service Superannuation Plan. Day-to-day administration is provided by the Public Employees Benefits Agency.

The Public Service Superannuation Plan is a defined benefit final average pension plan. Plan details are contained in *The Public Service Superannuation Act* and *The Superannuation (Supplementary Provisions) Act*. The three main components of the Plan are described as follows:

i) Anti-Tuberculosis League Employees Superannuation Fund

The Anti-Tuberculosis League Employees Superannuation Fund (AntiTB Fund) was established under provisions of an amendment to *The Public Service Superannuation Act*, effective April 1, 1979. The AntiTB Fund was established to accumulate contributions paid by employees of the Saskatchewan Anti-Tuberculosis League and any investment income.

ii) Saskatchewan Transportation Company Employees Superannuation Fund

The Saskatchewan Transportation Company Employees Superannuation Fund (STC Fund) was established by an amendment to *The Public Service Superannuation Act*, effective April 1, 1981. The STC Fund was established to accumulate contributions paid by employees of the Saskatchewan Transportation Company as of March 31, 1981 and any investment income.

iii) Public Service Superannuation Fund

Members of the Public Service Superannuation Fund (PSSF) include those public service employees who were employed prior to October 1, 1977 and did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

b) Funding Policy

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of commencement of employment. Contributions are reduced by an amount equal to deemed Canada Pension Plan contributions.

Certain employers are required to match employees' contributions in respect of current service.

c) Retirement

Normal retirement is at age 65. Members may retire earlier under certain conditions.

d) Pensions

Annual pensions are calculated as 2% of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum of 35. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Investments

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers. In the absence of recorded sales, reference is made to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date.

Short-term investments are recorded at cost which approximates market value. Investments in real estate are recorded at market as estimated by independent appraisals. Mortgages are recorded at market using current market yields.

Pooled funds are recorded based on the quoted market price of the underlying investments, normally the current bid price.

The change in the market value of investments during the year is reflected in the statement of changes in the net assets available for benefits as a market value adjustment.

Fair value of the investments approximates the market value of the investments.

b) Foreign Currency Translation

Monetary items denominated in foreign currency are translated at the exchange rate in effect at year end. Investments, revenue and expenses are translated at the exchange rate in effect at the transaction date. Gains and losses arising on translation are included in the current period change in market value of investments.

3. Investments

STC Fund:

The investment objectives of the Fund are to ensure the Fund has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Fund's liabilities, the Fund takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian equities, pooled funds, money market securities, and bonds.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Fund's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund's assets and liabilities.

The value of the Fund's assets is affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Fund. The Fund limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service, Standard & Poors Bond Rating Service and/or Moody's Bond Rating Service.

Short-Term Investments

Short-term investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 4.7% to 5.4% (2000 - 5.2% to 6.1%) and an average remaining term to maturity of 79 (2000 - 108) days. The Fund's investment policy states that investments must meet a minimum investment standard of "R-1", as rated by a recognized credit rating service. Other than Government of Canada, no single issuer represents more than 27.7% of the market value (2000 - 58.2%) of the short-term investment portfolio.

Bonds and Debentures

The Fund's investment policy states that corporate bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 10% of the total portfolio may be invested in BBB rated corporate bonds. As at March 31, 2001, the Fund held 2.8% (2000 - 0.4%) in BBB corporate bonds.

	2001						2000		
Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$3,174	$ 833	$1,140	$ 5,147	4.9-7.8%	4.9-8.8%	$3,667	5.0-7.6%	4.9-8.0%
5-10	940	1,228	874	3,042	5.5-8.1%	5.5-10.8%	3,522	5.7-7.9%	5.5-8.8%
Over 10	2,270	1,050	495	3,815	5.7-8.0%	5.5-11.3%	5,378	5.7-7.4%	5.5-8.0%
Market Value	$6,384	$3,111	$2,509	$12,004			$12,567		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

The Fund's equities include common shares that have no fixed maturity dates and are generally not exposed to interest rate risk. Dividends are generally declared on an annual basis. The average effective dividend rate is 1.51% (2000 – 1.42%).

The Fund's investment policy allows no one holding to represent more than 15% of the market value of the equity portfolio and no one holding to represent more than 10% of the common stock in any corporation.

Pooled Funds

The Fund holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the fund manager. The Fund limits its investment in pooled funds to 10% of the market value of the pooled fund unless provision is made to withdraw assets from the fund.

Foreign equities including foreign pooled funds are limited to 25% of the cost of the investment portfolio and are denominated in Canadian dollars. The pooled funds are comprised of the Greystone Capital Non-North American Fund $667,212 (2000 - $1,106,973), Greystone Capital Emerging Markets Fund $144,643 (2000 - $174,521) and Greystone Capital US Equities Fund $999,184 (2000 - $1,005,047).

Mortgage

The mortgage is secured by a Canadian commercial property and has an effective and stated interest rate of 9% with a remaining term of 3.1 years. Principal and interest are receivable on a monthly basis.

Real Estate

Investments in real estate consist of Canadian commercial property.

4. Obligations for Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method, pro rated on services and the best estimate assumptions approved by the Public Employees Benefits Agency. An actuarial valuation was performed as at September 30, 1999 by Aon Consulting and an extrapolation was made to March 31, 2000 and March 31, 2001.

The actuarial present value of benefits as at March 31 and the principal components of changes in actuarial present values during the year were as follows:

	AntiTB Fund (000's)		STC Fund (000's)		PSSF Fund (000's)	
	2001	2000	2001	2000	2001	2000
Actuarial present value of accrued pension benefits at beginning of year	$6,324	$6,035	$28,501	$25,539	$1,507,742	$1,273,150
Experience loss	-	355	-	195	-	49,864
Effect of change in assumptions	-	258	-	2,445	-	170,691
Interest accrued on benefits	373	397	1,731	1,724	91,950	85,986
Benefits accrued	9	9	304	414	18,904	17,618
Benefits paid	(707)	(730)	(1,930)	(1,816)	(91,977)	(89,567)
Actuarial present value of accrued pension benefits at end of year	5,999	6,324	28,606	28,501	1,526,619	1,507,742
Net assets available for benefits	(27)	(30)	(20,573)	(21,129)	-	-
Unfunded liability	$5,972	$6,294	$8,033	$ 7,372	$1,526,619	$1,507,742

The assumptions used in determining the actuarial value of accrued pension benefits are as follows:

- salary escalation rate is 2.0% increasing to 3.25%
- inflation rate is 2.0% increasing to 3.25%
- interest rate is 6.25%
- post retirement indexing 50% of inflation

The pension liability is based on a number of assumptions about future events including: interest, rate of salary increase, mortality, retirement rates, termination rates and inflation. The actual rates may vary significantly from the long-term assumptions used.

The following illustrates the effect on the pension liability of changing certain assumptions from the estimated rates of inflation 3.25%, salary escalation 3.25%, interest rate 6.25% and post-retirement indexing 50% of inflation.

Long-term Assumptions

Effect on Liability	Inflation*		Salary		Interest Rate		Post-retirement Indexing	
Assumptions	4.25%	2.25%	4.25%	2.25%	7.25%	5.25%	2.13%	1.13%
AntiTB (decrease) increase	(3.2%)	3.4%	0.1%	(0.1%)	(6.5%)	7.4%	3.6%	(3.4%)
STC (decrease) increase	(4.7%)	5.2%	0.7%	(0.7%)	(9.3%)	11.0%	4.7%	(4.3%)
PSSF (decrease) increase	(5.1%)	5.7%	1.4%	(1.3%)	(10.5%)	12.7%	4.9%	(4.6%)

* A 1% change in the inflation rate has a corresponding change in the interest rate and salary rate of 1% and in the post-retirement indexing of 0.5%.

The actual present value of accrued pension benefits contains a provision for ad hoc increases which are subject to Lieutenant Governor in Council approval. The ad hoc assumption is 50% of CPI based on previous year's experience. The Lieutenant Governor in Council may provide for supplementary allowances to be paid to superannuates in any year, in any amount and subject to any terms and conditions he considers advisable.

The unfunded liability for AntiTB Fund and STC Fund are not payable immediately. The expected cash inflows from contributions and investment income and the expected cash outflows to pay the required pension obligation are calculated using the above assumptions. The expected net cash flows are not adjusted for inflation, they are based on actual dollar forecasts. The net cash outflows for the AntiTB Fund in the next 5 years would be $3.2 million, in the next 10 years $5.9 million and in the next 30 years $9.9 million. The net cash flows for the STC Fund in the next 5 years would be $10.6 million, in the next 10 years $22.4 million, and in the next 30 years $58.3 million. Note 10 shows the cash flow forecast for the Public Service Superannuation Fund.

Subsections 60.1(12) and 60.2(13) of *The Public Service Superannuation Act* indicate that if there are insufficient moneys in the Funds to pay allowances or other payments, the Minister of Finance is obligated to pay any such deficiency out of the General Revenue Fund.

5. Due from General Revenue Fund

The STC Fund and the AntiTB Fund bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Each Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into each Fund's bank account using the Government's thirty-day borrowing rate and the Fund's average daily bank account balance. The Government's average thirty day borrowing rate in 2001 was 5.59% (2000 – 4.79%).

6. Deficiency Payment from the General Revenue Fund

Under Section 40 of *The Public Service Superannuation Act,* all funds received by the Board for the Public Service Superannuation Fund are recorded as revenue of the General Revenue Fund. No funds are set aside for the payment of future benefits. All allowances or other payments are made out of the General Revenue Fund. The Fund's deficiency payment from the General Revenue Fund in 2001 is $91,977,000 (2000 - $89,567,000) of which contributions make up part of this payment.

7. Related Party Transactions

a) Administration

i) The annual operating expenditures associated with the administration of the STC Fund and AntiTB Fund are paid to the Public Employees Benefits Agency Revolving Fund except for custodial fees and investment management fees which are paid directly.

	2001 (000's)						2000 (000's)		
	Anti-TB		STC		Total				
	Actual	Budget	Actual	Budget	Actual	Budget	AntiTB	STC	Total
Administration costs	$12	$30	$26	$71	$38	$101	$31	$ 69	$100
Custodial fees	-	-	23	-	23	-	-	24	24
Investment management fees	-	-	28	-	28	-	-	30	30
	$12	$30	$77	$71	$89	$101	$31	$123	$154

ii) Public Service Superannuation Fund (PSSF)

In accordance with subsection 3(3) of *The Public Service Superannuation Act*, all general administrative and employee costs required for the administration of the PSSF are paid out of the General Revenue Fund of the Province of Saskatchewan. Accordingly, no provision for these costs is included in these financial statements.

b) Investment Holdings

Included in bonds and debentures of the STC Fund are Province of Saskatchewan holdings totaling $281,906 (2000 - $166,000).

Account balances resulting from the above transactions are included in the statements of net assets available for benefits and are settled on normal trade terms. Other transactions are disclosed separately in these financial statements.

8. Fair Value of Financial Assets and Financial Liabilities

The following method and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities.

For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial assets and financial liabilities. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

Due to this short-term maturity, the fair value of these financial instruments approximates their carrying value.

a) Due from General Revenue Fund
b) Cash
c) Employee contributions receivable, employer contributions receivable, accrued investment income and other receivables
d) Administrative expenses payable and other payables

For investments, fair values are considered to be market value, the calculation of which is described in Note 2.

The pension liability is long-term in nature. The Funds have no intention of settling their pension obligation in the near term and there is no market for settling their pension obligations. Therefore, determination of the fair value of the pension liability is not practical.

9. Investment Performance - STC Fund

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Public Service Superannuation Board. The Board reviews the investment performance of the Fund in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.
The following is a summary of the Fund's investment performance:

	2001	Rolling Four Year Average Annual Return
Fund's actual rate of return (a)	6.0%	10.5%
Target rate of return (b)	-0.7%	8.6%

(a) The annual returns are before deducting investment expenses.
(b) The Fund's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange CPMS 300 Index, Standard & Poor's 500 US Stock Index, the Morgan Stanley Capital International Europe Australia Far East Index and the Scotia Capital Markets Universe Bond Index.

10. **Cash Flow Forecast** - Public Service Superannuation Fund

The total cash inflows are the amount of contributions expected to be received by the pension plan. The total cash outflows are the amounts required to pay all pension obligations. The forecast of cash inflows and outflows have been determined using the long-term assumptions outlined in Note 4. The expected net cash flows are not adjusted for inflation, they are based on actual dollar forecasts.

The cash required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2031.

Year	**Cash Inflows (000's)**	**Cash Outflows (000's)**	**Cash Required (000's)**
2001-2002	5,472	92,594	87,122
2002-2003	5,242	94,307	89,065
2003-2004	4,984	96,695	91,711
2004-2005	4,683	99,621	94,938
2005-2006	4,300	103,101	98,801
Total within 5 years	24,681	486,318	461,637
Total 5 - 10 years	13,668	581,527	567,859
Total 11 - 30 years	1,054	2,263,396	2,262,342

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Pension Annuity Fund as at March 31, 2001 and the statements of operations and net assets (deficit) and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
July 19, 2001

SASKATCHEWAN PENSION ANNUITY FUND
STATEMENT OF FINANCIAL POSITION

STATEMENT 1

AS AT MARCH 31

	2001	2000
ASSETS		
Investments (Note 3)		
Short-term	$ 936,232	$ 1,796,937
Bonds and debentures	86,277,028	70,617,276
	87,213,260	72,414,213
Receivables (Note 6)		
Accrued investment income	1,465,490	1,204,656
Members' contributions receivable	5,180	6,270
	1,470,670	1,210,926
Due from General Revenue Fund (Note 4)	875,536	157,908
Cash (Note 6)	5,077	2,396
Total Assets	$89,564,543	$73,785,443
LIABILITIES AND NET ASSETS		
Liabilities:		
Administration expenses payable (Note 6)	32,142	21,330
Accumulated provision for annuities payable (Note 5)	89,595,000	73,675,000
Total Liabilities	89,627,142	73,696,330
Net Assets (Deficit) (Statement 2)	(62,599)	89,113
TOTAL LIABILITIES AND NET ASSETS	$89,564,543	$73,785,443

(See accompanying notes to the financial statements)

SASKATCHEWAN PENSION ANNUITY FUND
STATEMENT OF OPERATIONS AND NET ASSETS (DEFICIT)

STATEMENT 2

YEAR ENDED MARCH 31

	2001	2000
REVENUES		
Transfers from designated plans	$17,248,152	$ 9,775,154
Investment income	6,177,891	5,276,034
Total Revenue	23,426,043	15,051,188
EXPENSES		
Change in accumulated provision for annuities payable (Note 5)	15,920,000	9,177,392
Annuities paid	7,488,780	6,424,876
Administration expenses (Note 7)	168,975	144,537
Total Expenses	23,577,755	15,746,805
Net loss for the year	(151,712)	(695,617)
NET ASSETS, BEGINNING OF YEAR	89,113	784,730
NET ASSETS (DEFICIT), END OF YEAR – to Statement 1	$ (62,599)	$ 89, 113

(See accompanying notes to the financial statements)

SASKATCHEWAN PENSION ANNUITY FUND
STATEMENT OF CASH FLOWS

STATEMENT 3

YEAR ENDED MARCH 31

	2001	2000
Cash flows from operating activities:		
Net loss for the year	$ (151,712)	$ (695,617)
Adjustment for:		
Loss (gain) on sale of investments	(26,988)	49,704
Amortization of bond premiums and discounts	(1,405,417)	(1,253,843)
	(1,432,405)	(1,204,139)
Change in non-cash working capital:		
Decrease in members contributions receivable	1,090	1,240
(Increase) in accrued investment income	(260,834)	(69,623)
Increase in administrative expenses payable	10,812	251
	(248,932)	(68,132)
Increase in accumulated provision for annuities payable	15,920,000	9,177,392
Cash flows from operating activities	14,086,951	7,209,504
Cash flows from investing activities:		
Purchase of investments	(69,029,474)	(66,391,603)
Proceeds from sale of investments	55,662,832	59,187,775
	(13,366,642)	(7,203,828)
Net increase in cash and cash equivalents	720,309	5,676
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	160,304	154,628
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 880,613	$ 160,304
Cash and Cash Equivalents are comprised of:		
Due from General Revenue Fund	$875,536	$ 157,908
Cash	5,077	2,396
Cash and Cash Equivalents	$880,613	$ 160,304

(See accompanying notes to the financial statements)

SASKATCHEWAN PENSION ANNUITY FUND
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2001

1. Description of Plan

The Public Employees Pension Board (Pension Board) administers the Saskatchewan Pension Annuity Fund (Fund). The day-to-day administration is provided by the Public Employees Benefits Agency (PEBA). The Fund operates pursuant to Section 5 of *The Saskatchewan Pension Annuity Fund Act* (Act). Further information about the Fund can be found in the Act.

The purpose of the Fund is to provide annuities to members of designated pension plans. Designated pension plans include Public Employees Pension Plan and Members of the Legislative Assembly Superannuation Plan. Members of a designated plan may upon retirement elect to receive an annuity from the Fund, as an alternative to purchasing an annuity from a private company that issues annuities. Those electing to receive an annuity from the Fund transfer their accumulated contributions and interest from their designated plan to the Fund at the time of retirement.

Subsection 5(7) of the Act requires any amount by which the liabilities of the Annuity Fund exceed the assets of the Fund to be a charge on, and a payable out of, the General Revenue Fund. As the annuities payable are long-term liabilities, and management does not expect to require funding to meet their current obligations, the Fund has not recorded any amount as a receivable from the General Revenue Fund.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Investments

Investments are recorded at cost. Premiums and discounts on the acquisition of bonds and debentures are amortized to earnings over the term of the security. Gains or losses realized upon the sale of investments are recognized in the period of disposition.

b) Accumulated Provision for Annuities Payable

The accumulated provision for annuities payable represents the present value of the annuities underwritten by the Pension Board and is determined pursuant to an annual actuarial valuation.

Any resulting change in the liability pursuant to the valuation is recognized as revenue or expense in the statement of operations and net assets (deficit).

c) Cash and Cash Equivalents

Cash consists of cash balances with the investment custodian and the amount due from the General Revenue Fund.

3. Investments

The investment objective is to structure the investment portfolio to limit the effect on the Fund due to changes in the level of interest rates, to provide sufficient liquidity for payments to annuitants when due, and to ensure long-term solvency.

The Fund holds investments in long-term bonds with terms matching the remaining life expectancies of annuitants.

The projected cash inflows over the life of the Fund are expected to meet the cash outflows.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Fund's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund's assets and liabilities.

The value of the Fund's assets is affected by short-term changes in nominal interest rates.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Fund. The Fund limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Standard and Poors Bond Rating Service and/or Moody's Bond Rating Service.

Short-term Investments

Short-term investments are comprised of T-Bills and notes with effective rates of 5.00% to 5.80% (2000 - 5.10% to 5.40%) and an average remaining term to maturity of 15 days (2000 - 8 days). The Fund's investment policy states that investments must meet a minimum investment standard of "R1" as rated by a recognized credit rating service. Other than the Government of Canada, no single issue represents more than 21.27% of the market value (2000 – 33.29%) of the short-term investment portfolio.

Bonds and Debentures

The Fund's investment policy states that government bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 15% of the par value of the bond portfolio may be invested in BBB rated bonds. At March 31, 2000 and 2001, the Fund held none of its portfolio in BBB bonds.

No more than 10% of the market value of the bond portfolio may be invested in corporate bonds. At March 31, 2001 the Fund held 7.90% (2000 – 9.17%) of the market value of bonds and debentures in corporate bonds. The minimum credit rating for corporate bonds is "A" or equivalent as rated by a recognized credit rating service.

(in thousands of dollars)

	2001						2000		
	Market Value								
Years to Maturity	Federal	Provincial	Corporate	Total	Yield to Maturity at Market	Coupon Rate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 1	481	-	1,578	2,059	8.05	0.00-11.00	1,308	0	0.00- 0.00
1 - 5	4,549	3,886	1,809	10,244	6.22	0.00-11.00	5,717	6.63	0.00-11.00
5 – 10	11,915	4,934	-	16,849	3.76	0.00-10.25	12,511	2.92	0.00-10.25
Over 10	19,885	38,748	3,849	62,482	5.57	0.00-11.25	56,290	6.02	0.00-11.25
Market Value	36,830	47,568	7,236	91,634			75,826		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

The Fund's investments are comprised of:

(in thousands of dollars)

Bonds and Debentures	2001 Cost	2001 Market Value	2000 Cost	2000 Market Value
Province of Saskatchewan	$ 3,368	$ 3,112	$ 1,268	$ 1,564
Other Provincial	59,519	44,456	44,254	36,763
Corporate	6,554	7,236	5,804	6,955
Canada	40,879	36,830	34,894	30,544
Total bonds and debentures at par value	110,320	91,634	86,220	75,826
Less unamortized discounts	(24,043)	-	(15,603)	-
Total bonds and debentures amortized cost	86,277	91,634	70,617	75,826
Short-term investments	936	936	1,797	1,797
Total investments	$87,213	$92,570	$72,414	$77,623

Investments are recorded at cost because investments are matched with liabilities to minimize interest rate and reinvestment risk. Fair value approximates the market value of investments.

4. Due from General Revenue Fund

The Fund's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund's bank accounts using the Government's thirty day borrowing rate and the Fund's bank account balance. The Government's average thirty day borrowing rate for 2000/2001 is 5.59% (2000 - 4.79%).

5. Accumulated Provision for Annuities Payable

The accumulated provision for annuities payable is the actuarial present value of the expected annuity benefit obligations to annuitants. An actuarial valuation of the Fund was performed as at March 31, 2000 and 2001 by Aon Consulting Inc. The actuarial valuation was based on a number of assumptions about future events such as interest rates and mortality. The interest rate assumptions were based on the annuity conversion rate for 15 years from date of issue, reducing to 6% thereafter. The average conversion rate of annuities presently being paid is 8.06%. For mortality, 80% of the 1983 Group Annuity Mortality Table mortality rates are used.

The annual change in the annuity payable is reflected in the statement of operations and net assets (deficit). The principal components of change during the year were as follows:

	(in thousands of dollars)	
	2001	2000
Accumulated provision for annuities payable, beginning of year	$73,675	$64,498
Interest on accrued benefits	5,422	4,961
New annuities purchased in the year	17,716	10,305
Annuities paid	(6,876)	(6,163)
Experience (gain)/loss	(342)	74
Accumulated provision for annuities payable, end of year	$89,595	$73,675

The annuity payable is based on assumptions about future events including interest and mortality rates. The actual rates may vary significantly from the assumptions used. It is reasonably possible, based on existing assumptions, that changes in future conditions in the near term could require a material change in the annuity payable. A 1% increase in the interest rate decreases the liability $7.4 million and a 1% decrease in the interest rate increases the liability $8.6 million.

6. Fair Value of Financial Assets and Financial Liabilities

The accumulated provision for annuities payable is long-term in nature. The Fund has no intention of settling it in the near term. Therefore, determination of the fair value of the accumulated provision for annuities payable is not practicable.

The following method and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

Fair values of investments are considered to be market values (note 3).

For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term maturity of these financial assets and financial liabilities:

a) Accrued investment income
b) Members' contributions receivable
c) Due from General Revenue Fund
d) Cash
e) Administration expenses payable

7. Administration Expenses

(in thousands of dollars)

	2001		2000	
	Budget	Actual	Budget	Actual
Administration costs – PEBA	$97	$ 94	$ 68	$ 80
Custodial fees - Royal Trust	10	9	13	8
Investment management fees - Greystone Capital Management Inc.	66	66	65	56
	$173	$169	$146	$144

8. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related since all are controlled by the Government. These financial statements include expenses associated with administering the Fund and are paid to the Public Employee

Benefits Agency Revolving Fund. Related party transactions with the Fund are in the normal course of operation and are recorded at exchange amounts agreed to by the parties to the transactions.

At March 31, 2001, the Fund held $2,802,075 (2000 - $1,298,698) Province of Saskatchewan bonds and debentures. For the year ended March 31, 2001, the investment income of $155,821 (2000 - $132,863) was earned on the Province of Saskatchewan bonds and debentures.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

Management and Auditors' Reports

Management's Responsibility for Financial Statements

The accompanying financial statements of the Saskatchewan Pension Plan (the Plan), and all information in this annual report, have been prepared by Plan management which is responsible for the reliability, integrity and objectivity of the information provided. The statements have been prepared in accordance with accounting principles generally accepted in Canada and necessarily include some estimates based on management's judgment. Other financial information in this annual report is consistent with that provided in the financial statements.

The Plan's accounting system and related system of internal controls are designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, and financial records are properly maintained to provide reliable information for use in the preparation of financial statements.

The Board of Trustees of the Plan is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board reviews and approves the financial statements.

These financial statements have been audited by the Plan's external auditors, Ernst & Young LLP, in accordance with auditing standards generally accepted in Canada, on behalf of the Members of the Legislative Assembly of Saskatchewan.

Earl R Hanson K Strutt

Earl R. Hanson	Katherine Strutt
Chairperson	General Manager
February 16, 2001	

To the Members of the Legislative Assembly of Saskatchewan

We have audited the statement of net assets available for benefits of the Saskatchewan Pension Plan as at December 31, 2000 and the statements of changes in net assets available for benefits and administrative expenses for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in Canada.

Ernst & Young LLP

Saskatoon, Canada
February 16, 2001

Chartered Accountants

Saskatchewan Pension Plan
Statement of Net Assets Available for Benefits
As at December 31

(thousands of dollars)

	2000			1999		
	Contribution Fund	Annuity Fund	Total	Contribution Fund	Annuity Fund	Total
ASSETS						
Investments (Note 3)						
Money Market	$ 7,624	$ 1,030	$ 8,654	$ 7,385	$ 1,986	$ 9,371
Bonds	62,838	48,154	110,992	59,555	42,919	102,474
Equities	71,595	-	71,595	65,636	-	65,636
	142,057	49,184	191,241	132,576	44,905	177,481
Cash	470	90	560	253	137	390
Accrued Interest and Dividends	821	602	1,423	686	602	1,288
Prepaid (Deferred) Retirement Transfers	766	(766)	-	473	(473)	-
Prepaid Pension Benefits	-	407	407	-	375	375
	144,114	49,517	193,631	133,988	45,546	179,534
LIABILITIES						
Administrative Expenses Payable	126	46	172	109	37	146
Death and Other Benefits Payable	166	39	205	126	26	152
Deferred Member Contributions	2	-	2	3	-	3
	294	85	379	238	63	301
NET ASSETS AVAILABLE FOR BENEFITS	$143,820	$ 49,432	$193,252	$133,750	$ 45,483	$179,233

ON BEHALF OF THE TRUSTEES:

Earl R Hanson Esther Bjorklund

Earl R. Hanson,
Chairperson

Esther Bjorklund,
Board Member

(See Accompanying Notes)

Saskatchewan Pension Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31

(thousands of dollars)

	2000			1999		
	Contribution Fund	Annuity Fund	Total	Contribution Fund	Annuity Fund	Total
INCREASE IN ASSETS						
Investment Income						
Interest	$ 4,342	$ 3,867	$ 8,209	$ 4,031	$ 3,592	$ 7,623
Dividends	2,570	-	2,570	2,112	-	2,112
	6,912	3,867	10,779	6,143	3,592	9,735
Change in Market Value of Investments	6,720	-	6,720	3,385	-	3,385
Contributions	4,643	-	4,643	4,650	-	4,650
	18,275	3,867	22,142	14,178	3,592	17,770
TRANSFERS ON RETIREMENT	(6,710)	6,710	-	(6,577)	6,577	-
DECREASES IN ASSETS						
Pension Benefits	-	4,659	4,659	-	4,291	4,291
Administrative Expenses	1,124	406	1,530	1,077	375	1,452
Transfer to Other Pension Plans	-	1,281	1,281	-	832	832
Death and Other Benefits	371	282	653	344	254	598
	1,495	6,628	8,123	1,421	5,752	7,173
Change in Net Assets	10,070	3,949	14,019	6,180	4,417	10,597
NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF YEAR	133,750	45,483	179,233	127,570	41,066	168,636
NET ASSETS AVAILABLE FOR BENEFITS END OF YEAR	$143,820	$ 49,432	$193,252	$133,750	$ 45,483	$179,233

(See Accompanying Notes)

Saskatchewan Pension Plan
Statement of Administrative Expenses
For the Year Ended December 31

(thousands of dollars)

	2000	1999
EXPENSES		
Salaries and Wages	$ 596	$ 566
Professional and Technical Services	489	456
Advertising and Promotional	203	207
Computer Systems	65	50
Facility and Equipment Rental	61	63
Telephone, Freight, and Postage	46	47
Office Supplies	24	28
Other Contractual	20	8
Board Honorariums and Expenses	17	15
Travel	9	7
Leasehold Improvements	-	5
NET ADMINISTRATIVE EXPENSES OF THE PLAN	$1,530	$1,452

	2000	1999
ADMINISTRATIVE EXPENSES ALLOCATED AS FOLLOWS:		
Contribution Fund	$1,124	$1,077
Annuity Fund	406	375
	$1,530	$1,452

(See Accompanying Notes)

Saskatchewan Pension Plan
Notes to the Financial Statements
December 31, 2000

1. **Description of Plan**

(a) **General**

The Saskatchewan Pension Plan ("SPP" or the "Plan") is a defined contribution plan established by the Government of Saskatchewan to provide an opportunity for individuals with little or no access to private pensions or other retirement savings arrangements to save for their retirement. Details of the Plan are contained in *The Saskatchewan Pension Plan Act* (the Act) and Regulations.

(b) **Funds Established**

The following funds were established to administer the Plan:

(i) Contribution Fund

Established to accumulate all contributions and earnings for members who have not yet retired under the Plan. The Fund holds a balanced portfolio including equities, bonds and short term investments to maximize earnings while minimizing risk to members.

(ii) Annuity Fund

Established to hold the funds to make pension payments to retired members. The Fund holds investments in high quality long-term bonds. The Fund also holds money market investments for current pension needs and to pay administration costs. Equity investments are not permitted. The investment portfolio is structured to limit the effect on the Fund due to changes in the level of interest rates, to provide sufficient liquidity for payments to retirees when due, and to ensure long-term solvency.

(c) **Contributions**

Participation is voluntary and members can contribute a maximum of $600 for each plan year. Contributions are vested immediately in the member's name and are locked into the Plan until retirement.

(d) **Retirement**

Members may retire under the Plan as early as age 55 or delay retirement as late as age 69. A member's accumulated account balance at retirement comprises the member's contributions to the Plan together with the investment income and changes to the market value of the Plan's investments allocable to the member as of that date under the terms of the Plan. At retirement, members may select a pension option which is payable for life or transfer their account to a locked-in pension option with a different financial institution. The options available are Locked-in Retirement Account (LIRA), Locked-in Retirement Income Fund (LRIF), and Life Income Fund (LIF). The accumulated account balances of members who opt to remain in the Plan at retirement are transferred to the Annuity Fund.

(e) **Administrative Expenses**

Administrative expenses are allocated to the Funds based on their weighted average asset base as prescribed by Regulation.

(f) **Income Tax**

The Plan is a prescribed provincial plan under the Income Tax Act and is not subject to tax.

(g) **Death Benefits**

Should a member die prior to retirement, the funds in his or her account will be paid to the named beneficiary. If the beneficiary is the member's spouse, the funds may be transferred to the spouse's SPP account or to their own registered retirement savings plan.

Should a member die after retirement, death benefits are payable according to the type of annuity the member selected at retirement.

(h) **Survivor Benefits**

When a member who selected the Joint and Last Survivor Annuity dies, benefits are paid to the survivor for the balance of his or her life.

(i) **Withdrawal Provisions**

Members whose monthly pensions are less than the prescribed amount can withdraw their total pension in one lump sum instead of receiving monthly benefits. In 2000, the prescribed amount was $15.67.

Saskatchewan Pension Plan
Notes to the Financial Statements
December 31, 2000
(thousands of dollars)

2. Significant Accounting Policies

The financial statements are prepared in accordance with accounting principles generally accepted in Canada. The following policies are considered to be significant:

(a) Investment Income Recognition

Interest is recognized as income when earned and dividends are recognized as income when dividends are declared.

(b) Investments

(i) Contribution Fund

Investments are recorded at market value which is determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Money market investments are valued at cost which approximates market. Transactions are recorded as of the settlement date.

(ii) Annuity Fund

Money market investments are valued at cost which approximates market value. Investments in bonds are valued at the present value of future cash flows, discounted at the effective yield on the date of purchase. Funds are transferred from the Contribution Fund at the date members retire, and these funds are invested in long-term bonds with terms matching the remaining life expectancy of the members. Under the policy of the Plan such bonds are generally required to be held to maturity and therefore are not considered to be marketable. In the event that bonds are disposed of, gains and losses on such dispositions are deferred and taken into income over the remaining term to maturity of the security sold to be consistent with the basis of underwriting annuities, which are issued based on the prevailing interest rates at the time of retirement. Transactions are recorded as of the settlement date.

(c) Financial Instruments

Accrued interest and dividends, prepaid (deferred) retirement transfers, prepaid pension benefits, administrative expenses payable, death and other benefits payable and deferred member contributions are all short term in nature and as such, their carrying value approximates fair value.

For fair value of investments see note 2(b).

3. Investments

(a) Contribution Fund

(i) Money Market

	2000			1999		
	Average Term (in days)	Effective Interest Rate (percent)	Market Value	Average Term (in days)	Effective Interest Rate (percent)	Market Value
Treasury Bills	90	5.7	$ 5,339	119	5.0	$ 4,802
Bankers Acceptances	37	5.8	2,285	30	5.0	2,583
			$ 7,624			$ 7,385

Money market investments are defined as securities purchased with a maturity of one year or less. Only securities with an "R-1" rating as rated by a recognized bond rating agency at the time of purchase, are permissible. Other than the Government of Canada, no single issuer represents more than 11.0% (1999: 13.7%) of the money market portfolio.

Saskatchewan Pension Plan
Notes to the Financial Statements
December 31, 2000
(thousands of dollars)

(ii) Bonds

2000

Years to Maturity	Market Value Federal	Provincial	Real Return	Municipal	Corporate	Total
1 - 5 years	$ 19,095	$ 2,106	$ -	$ -	$ 6,330	$ 27,531
Over 5 years	16,996	8,731	247	878	8,455	35,307
	$ 36,091	$ 10,837	$ 247	$ 878	$ 14,785	$ 62,838

1999

Years to Maturity	Market Value Federal	Provincial	Real Return	Municipal	Corporate	Total
1 - 5 years	$ 14,226	$ 2,842	$ -	$ -	$ 5,459	$ 22,527
Over 5 years	22,068	8,164	326	502	5,968	37,028
	$ 36,294	$ 11,006	$ 326	$ 502	$ 11,427	$ 59,555

Bonds must meet a minimum quality standard of "BBB" or equivalent, as rated by a recognized credit rating service. No more than 15% of the market value of the bond portfolio may be held in "BBB" issues. Other than the Government of Canada, no single issuer represents more than 5.6% (1999: 9.1%) of the overall bond portfolio. All of the bonds are fixed rate bonds with effective interest rates ranging between 3.6% and 10.9% (1999: 3.7% and 10.5%). Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

(iii) Equities at Market Value

	2000	1999
Canadian Shares	$ 44,445	$ 38,965
United States Shares	13,503	10,712
Non North American Pooled Fund	13,647	15,959
	$ 71,595	$ 65,636

No one holding represents more than 10% of the market value of the equity portfolio or more than 10% of the capital stock of the issuer. Equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. The average dividend rate is 1.5% (1999: 1.5%)

Saskatchewan Pension Plan
Notes to the Financial Statements
December 31, 2000
(thousands of dollars)

(iv) Interest Rate, Credit, and Foreign Currency Risk

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of some of the Plan's assets is affected by changes in nominal interest rates and equity markets.

The Fund holds approximately 49.6% (1999: 50.5%) of its investments in fixed income securities and 50.4% (1999: 49.5%) in equities at December 31, 2000.

Credit Risk

Credit risk arises from the potential for issuers of debtors to default on their contractual obligation to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. At December 31, 2000 the Fund's maximum credit risk exposure relates to bonds, accrued income and short-term investments totalling $71,283 (1999: $67,626)

Foreign Currency Risk

Foreign Currency exposure arises from the Plan's holdings of foreign equities. As at December 31, 2000, the Plan's foreign currency exposure was $27,150 (1999: $26,671). To manage the risk the Board has adopted an investment policy whereby investments are strategically distributed among several classes of assets to reduce exposure to investment volatility. The Plan's investment policy also defines minimum quality rating for new investments and restricts the size of investment in any one issuer.

(b) Annuity Fund

(i) Money Market

	2000			1999		
	Average Term (in days)	Effective Interest Rate (percent)	Market Value	Average Term (in days)	Effective Interest Rate (percent)	Market Value
Treasury Bills	4	5.6	$ 534	27	4.7	$ 1,986
Bankers Acceptances	31	5.7	496	-	-	-
			$ 1,030			$ 1,986

Money market investments are defined as securities purchased with a maturity of one year or less. Only securities with an "R-1" rating are permissible. Other than Government of Canada, no single issuer represents more than 38.5% (1999: 0.0%) of the money market portfolio.

(ii) Bonds

2000					
Years to Maturity	Cost Value				Total Market
	Federal	Provincial	Corporate	Total	
1 - 5 years	$ 3,991	$ 1,994	$ 806	$ 6,791	$ 7,001
Over 5 years	9,455	30,206	1,702	41,363	50,693
	$ 13,446	$ 32,200	$ 2,508	$ 48,154	$ 57,694

Saskatchewan Pension Plan
Notes to the Financial Statements
December 31, 2000
(thousands of dollars)

1999

Years to Maturity	Cost Value Federal	Provincial	Corporate	Total	Total Market
1 - 5 years	$ 3,204	$ 1,069	$ 804	$ 5,077	$ 5,152
Over 5 years	13,373	22,791	1,678	37,842	44,923
	$ 16,577	$ 23,860	$ 2,482	$ 42,919	$ 50,075

Government bonds must meet a minimum quality standard of "BBB" or equivalent as rated by a recognized credit rating service at the time of purchase. No more than 15% of the par value of the total bond portfolio may be held in "BBB" issues. Corporate bonds must meet a minimum quality standard of "A" at the time of purchase. Other than the Government of Canada, no single issuer represents more than 24.3% (1999: 16.2%) of the overall bond portfolio. All of the bonds are fixed rate bonds with yields to maturity ranging between 5.1% and 11.4% (1999: 5.1% and 11.4%). Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

(iii) Interest Rate and Credit Risk

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of some of the Plan's assets is affected by changes in nominal interest rates.

Credit Risk

Credit risk arises from the potential for issuers of debtors to default on their contractual obligation to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities above are based on the Dominion Bond Rating Service and/or the Canadian Bond Rating Service.

4. Actuarial Valuation of Pension Liability

An actuarial valuation was performed on the Plan as at December 31, 2000 by Aon Consulting Inc. The valuation considered the obligations to retired members.

The valuation method used to calculate the basic pension liability of retired members was the single premium actuarial cost method. The current annuity rate for each individual annuitant at their date of retirement has been used for the first 15 years and 6% per annum thereafter to determine the liabilities. In the previous valuation at December 31, 1999, for retirees before 1992, the interest rate used during the 15 year select period was 9.2% per annum and 6% per annum thereafter. The change in assumption resulted in an increase in liabilities of approximately $103.

The results of this valuation are summarized below:

	2000	1999
Net Assets Available	$49,432	$45,483
Basic Pension Liability	48,575	44,880
Surplus	$ 857	$ 603

Saskatchewan Pension Plan
Notes to the Financial Statements
December 31, 2000
(thousands of dollars)

Pension annuities are issued based on the prevailing interest rates at the dates of retirement of the annuitants. The duration of the investments purchased are matched with the duration of the liabilities. As such, the risk to the Plan relates to:

(i) any differences, which may be material, between the estimated and actual life expectancy of the annuitant group which may cause the Plan to have insufficient funds to meet the liability or more funds than required; and

(ii) reinvestment of assets at maturity at rates greater than or less than rates used in determining the annuities.

To manage this risk, the Plan uses investment managers and actuaries to assist in determining the investment strategy. Further, subsection 7(3.1) of the Act requires any amount by which the liability of the Annuity Fund exceeds the assets of the Annuity Fund to be a charge on and payable from the General Revenue Fund of the Province of Saskatchewan. At December 31, 2000 and 1999, the Annuity fund was in a surplus position.

The principal components of the change in the basic pension liability are summarized below:

	2000	1999
Liability, beginning of year	$44,880	$40,755
Interest on liabilities	3,003	2,857
Increase in liability due to new annuities	5,239	5,522
Benefits paid	(4,695)	(4,224)
Mortality experience	45	(30)
Increase in liability due to change in assumption	103	-
Liability, end of year	$48,575	$44,880

5. **Earnings Allocation to Members**

Investment income less administration expenses are allocated annually to members in the Contribution Fund. The change in market value of investments is allocated over a four year period on a straight line basis.

The maximum gain or loss deferred to future years is 5% of the total market value of investments at December 31 of each year. At December 31, 2000 the gain deferred to future years was $7,106 (1999 - $5,992).

6. **Related Party Transactions**

The Plan also conducts a portion of its transactions with Saskatchewan Crown-controlled Agencies, departments and corporations. These transactions are at the prevailing market rates and are settled on normal trade terms. The Plan incurred operating expenses of approximately $200 (1999: $187) with these related parties.

The Plan has $4,544 par value (1999: $2,649) invested in Province of Saskatchewan bonds with varying maturity dates and interest rates. Interest on these bonds was approximately $228 (1999: $324).

7. **Lease Commitment**

The Plan is committed to an operating lease for office space to September 30, 2001 with minimum lease payments of $40.

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the statement of net assets available for benefits of The Saskatchewan Research Council Employees' Pension Plan as at December 31, 2000 and the statement of changes in net assets available for benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at December 31, 2000 and the changes in net assets available for benefits for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
February 16, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

THE SASKATCHEWAN RESEARCH COUNCIL EMPLOYEES' PENSION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
As At December 31

	2000	1999
ASSETS		
Investments:		
Balanced Mutual Fund	$ 25,114,706	$ 23,828,725
Cash	80	40
	$ 25,114,786	$ 23,828,765
LIABILITIES		
Accounts payable (Note 3)	109,741	3,967
Net assets available for benefits (Statement 2)	$ 25,005,045	$ 23,824,798

(See accompanying notes to financial statements)

Statement 2

THE SASKATCHEWAN RESEARCH COUNCIL EMPLOYEES' PENSION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year Ended December 31

	2000	1999
Increase in assets:		
Increase in net asset value of investments and cash	$ 2,230,581	$ 2,211,782
Contributions - employer	475,324	478,827
Total increase in assets	2,705,905	2,690,609
Decrease in assets:		
Refund upon termination and retirement benefits -Defined Contribution Plan	1,047,275	106,064
Retirement benefits - Defined Benefit Plan	418,919	312,889
Contribution holiday - employer	-	478,827
Administration	59,464	73,022
Total decrease in assets	1,525,658	970,802
Increase in net assets	1,180,247	1,719,807
Net assets available for benefits, beginning of year	23,824,798	22,104,991
Net assets available for benefits, end of year - to Statement 1	$ 25,005,045	$ 23,824,798

(See accompanying notes to financial statements)

THE SASKATCHEWAN RESEARCH COUNCIL EMPLOYEES' PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

1. Description of the Plan

The following description of the Plan is a summary only. For more complete information, reference should be made to the Plan Agreement. The Plan is administered by The Saskatchewan Research Council (SRC). The Pension Plan Advisory Committee (PAC) promotes awareness and understanding of the Plan, periodically reviews the results of the Plan, and advises the SRC and Plan Members with respect to matters of concern to the Members. The PAC is comprised of a maximum of five members, of which one is from the SRC's senior management and two to four are appointed by the SRC from the list of Plan Members.

(a) General

The Saskatchewan Research Council Employees' Pension Plan was established May 1, 1974 for the purpose of providing retirement income to the SRC's employees. Up to and including December 31, 1990, the Plan provided the greater of a defined benefit or a defined contribution entitlement for Members of the Plan. Effective January 1, 1991, the Plan was amended and restated to provide solely a defined contribution benefit to Members. The changes do not affect existing pensioners who will continue to receive benefits as granted.

(b) Funding Policy

The employer contributes 4.875% of the Member's Earnings up to the Year's Maximum Pensionable Earnings (YMPE) and 7.5% of the Member's Earnings above the YMPE, as defined under the Canada Pension Plan, on a monthly basis.

(c) Retirement

Upon retirement, a transfer is available based on the Member's accumulated balance to another pension plan, a Locked-In Retirement Account Contract, a Life Income Fund Contract, a Locked-In Retirement Income Fund Contract or to purchase a deferred life annuity contract.

(d) Termination Refunds

Upon application and subject to lock-in provisions, termination refunds are payable when a member ceases to be employed by the SRC.

1. Description of the Plan (continued)

(e) Defined Benefit Pensioners

Pensioners receive benefit increases effective April 1st of each year based on CPI increases to the extent investment earnings exceed 6% in the previous calendar year. The last increase was effective April 1, 2000.

The SRC Board of Directors passed a resolution, such that in a year where indexing of pension benefits, as established under the plan, does not provide for an automatic increase, or where the automatic increase is less than the maximum permitted, the Board will review the status of the pension plan and may provide for an ad hoc increase.

2. Summary of Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following principles are considered to be significant:

Basis of Accounting

These financial statements are prepared using the accrual basis of accounting.

Investments

The investment is comprised of units in a balanced mutual fund managed by a professional investment manager. The balanced mutual fund has no fixed interest rate, and its returns are based on the performance of the fund.

Additional units are acquired when distributions are made by the funds. Cash dividends are not paid by the funds; however, investors can realize changes in the underlying unit values by redeeming units.

Units in the mutual funds are recorded in the accounts at their net asset value per unit. Net asset value per unit is the market value of the investments in the particular fund's portfolio divided by the total number of outstanding units in that fund. The adjustment necessary to record units at their net asset value at the year end is shown as an increase or decrease in net assets available for benefits.

3. Accounts Payable

The balance is due to SRC and is comprised of payments made on behalf of the pension fund. The majority of the balance at year end relates to the lump sum payment made to pensioners for the special ad hoc increase (see Note 4), which was paid late in the year.

4. Net Assets Available for Benefits and Pension Obligations

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. The strategy employed to achieve these objectives is to invest cash flows from contributions into assets such as pooled funds.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

Credit risk arises from the potential for an issuer to default on its contractual obligations to the Plan. The Plan limits credit risk by dealing with issuers that are considered to be high quality.

The pension obligation is long term in nature. The Plan has no intention of settling its pension obligation in the near term and there is no market for settling pension obligations. Therefore, determination of the fair value of the pension liability is not practicable.

	2000	1999
Net assets available for benefits (Statement 1)	$ 25,005,045	$ 23,824,798
Less: Defined contribution balances	21,158,587	19,928,220
Defined benefit obligations	3,174,000	3,304,000
Surplus	$ 672,458	$ 592,578

The present value of the defined benefit obligation was determined using the projected benefit method prorated on service and the administrator's best estimate assumptions. Watson Wyatt Canada (formerly KPMG Consulting LP) performed an actuarial valuation as of January 1, 2001. For the January 1, 2000 and 2001 valuations the UP94 mortality table, projected to 2014 (i.e. projection for 20 years), was used. The actuarial present value of accrued benefits as at January 1, 2001 and the principal component of changes in the actuarial present values during the year for pensioners who retired before 1991 are as follows:

	2000	1999
Beginning of year	$ 3,304,000	$ 2,814,000
Interest on accrued benefits	198,000	169,000
Benefits paid	(419,000)	(313,000)
Adustment for miscellaneous gains/losses	13,000	(79,000)
Change in assumptions	-	137,000
Adjustments (Note 1(e))	78,000	53,000
Pending special ad hoc increase	-	523,000
End of year	$ 3,174,000	$ 3,304,000

4. Net Assets Available for Benefits and Pension Obligations (continued)

The 1999 liability for the pending special ad-hoc increases represented the additional liability with respect to Amendment No. 3. The additional pensions represented by this liability required regulatory approval, and while the SRC had already received approval from the Saskatchewan Superintendent of Pensions, the ad hoc increase had been delayed pending approval from the Canada Customs and Revenue Agency (CCRA). Approval was received during 2000, and the increase commenced, retroactive to April 1, 1999, during the year.

Investment earnings in excess of 6% will be applied to provide increases to all defined benefit pensioners in receipt of benefits, which are paid from the pension fund. Therefore, the significant long-term assumption used in determining the actuarial value of accrued pension benefits was:

Interest rate	6%

Upon termination of the Plan, any balance of the Pension Fund remaining, after discharging all liabilities, shall belong to the SRC. The balance may be distributed in a manner to be determined by the SRC, at its sole discretion, after receiving prior approval in accordance with *The Pension Benefits Act, 1992*, the *Income Tax Act (Canada)* and the regulations thereunder.

5. Employer Contribution Holiday

Canada Customs and Revenue Agency in its monitoring of the *Income Tax Act (Canada)* allows a certain amount of surplus to be retained in the Plan. During 1999, on the advice of its' actuary, and in consultation with the Saskatchewan Superintendent of Pensions, SRC was taking an employer contribution holiday. This had the effect of transferring money in a surplus account for the defined benefit plan over to the defined contribution portion of the plan. The contribution holiday was ceased effective December 31, 1999, in accordance with the application to the Saskatchewan Superintendent of Pensions.

6. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the PAC. The PAC reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over 5 year rolling periods. The long term investment performance objective for the entire portfolio is to outperform a benchmark portfolio. Results for the year ended December 31, 2000 compared to benchmark are as follows:

Period ending December 31, 2000	Benchmark Return	Annualized Gross Return
One year return	5.2%	11.4%
Three year return	9.4%	10.1%
Five year return	12.0%	12.7%

7. Related Party Transactions

The Saskatchewan Research Council provides general administrative services without charge.

8. Administration

The administration costs shown on Statement 2 are paid out of the surplus as provided for in the Plan text:

		2000		1999
Canada Trust	$	35,281	$	36,185
Other payees		24,183		36,837
Total administrative expenses	$	59,464	$	73,022

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the statement of net assets available for benefits and accrued pension benefits and unfunded liability of the Teachers' Superannuation Plan as at June 30, 2000 and the statements of changes in net assets available for benefits and changes in accrued pension benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits and accrued pension benefits and unfunded liability of the Plan as at June 30, 2000 and the changes in the net assets available for benefits and changes in accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
April 20, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1
Teachers' Superannuation Plan
Statement of Net Assets Available for Benefits and Accrued Pension Benefits and Unfunded Liability
As at June 30

	2000			1999		
	Superannuation Fund ($000)	Voluntary Contributions Fund ($000)	Total ($000)	Superannuation Fund ($000)	Voluntary Contributions Fund ($000)	Total ($000)
ASSETS						
Due from General Revenue Fund (Note 9)	$ 121	$ 9	$ 130	$ –	$ 17	$ 17
Accrued investment income	10,885	2	10,887	8,395	2	8,397
Investments (Note 3):						
Bonds and debentures	905,624	–	905,624	859,268	–	859,268
Short term	21,199	299	21,498	15,823	356	16,179
Equities	857,993	–	857,993	742,780	–	742,780
Pooled Funds	125,728	2,751	128,479	112,693	2,445	115,138
Mortgages	5,732	–	5,732	6,259	–	6,259
Real estate	60,158	–	60,158	51,359	–	51,359
	1,987,440	3,061	1,990,501	1,796,577	2,820	1,799,397
Contributions receivable:						
- Teachers'	1,953	–	1,953	1,720	–	1,720
- Government	9,067	–	9,067	3,807	–	3,807
	11,020	–	11,020	5,527	–	5,527
Total assets	$ 1,998,460	$ 3,061	$2,001,521	$ 1,802,104	$ 2,820	$1,804,924
LIABILITIES						
Bank Overdraft	$ –	$ –	$ –	$ 65	$ –	$ 65
Accounts payable	492	3	495	798	4	802
Total liabilities	$ 492	$ 3	$ 495	$ 863	$ 4	$ 867
Net assets available for benefits	$ 1,997,968	$ 3,058	$2,001,026	$ 1,801,241	$ 2,816	$1,804,057
Actuarial asset value adjustment	$ (359,968)	$ –	$ (359,968)	$ (186,831)	$ –	$ (186,831)
Actuarial value of net assets available for benefits	$ 1,638,000	$ 3,058	$1,641,058	$1,614,410	$ 2,816	$1,617,226
Actuarial accrued pension benefits (Statement 3)	3,470,000	3,058	3,473,058	3,639,000	2,816	3,641,816
Unfunded Liability	$ 1,832,000	$ –	$1,832,000	$ 2,024,590	$ –	$2,024,590

(See accompanying notes to the financial statements)

Statement 2
Teachers' Superannuation Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended June 30

	2000			1999		
	Superannuation Fund ($000)	Voluntary Contributions Fund ($000)	Total ($000)	Superannuation Fund ($000)	Voluntary Contributions Fund ($000)	Total ($000)
INCREASE IN ASSETS:						
Investment income:						
Interest	$ 56,429	$ 106	$ 56,535	$ 55,731	$ 137	$ 55,868
Dividends	22,681	–	22,681	12,575	–	12,575
	79,110	106	79,216	68,306	137	68,443
Current period change in market values of investments	206,879	297	207,176	22,751	(53)	22,698
Contributions:						
- General Revenue Fund Matching Contributions	19,105	–	19,105	20,304	–	20,304
- General Revenue Fund Other Contributions	59,509	–	59,509	67,282	–	67,282
- Teachers'	19,049	28	19,077	20,180	129	20,309
Other transfers and contributions	2,815	–	2,815	3,048	–	3,048
	100,478	28	100,506	110,814	129	110,943
Total increase in assets	$ 386,467	$ 431	$ 386,898	$ 201,871	$ 213	$ 202,084
DECREASE IN ASSETS:						
Marriage breakdown payments	$ 460	$ –	$ 460	$ 875	$ –	$ 875
Allowance to superannuates	181,566	–	181,566	174,489	–	174,489
Refunds and transfers	5,541	179	5,720	6,273	65	6,338
Investment expenses (Note 6)	2,173	10	2,183	1,937	12	1,949
Total decrease in assets	189,740	189	189,929	183,574	77	183,651
Increase in net assets	$ 196,727	$ 242	$ 196,969	$ 18,297	$ 136	$ 18,433
Net assets available for benefits, beginning of year	1,801,241	2,816	1,804,057	1,782,944	2,680	1,785,624
Net assets available for benefits, end of year	$ 1,997,968	$ 3,058	$2,001,026	$ 1,801,241	$ 2,816	$ 1,804,057

(See accompanying notes to the financial statements)

Statement 3
Teachers' Superannuation Plan
Statement of Changes in Accrued Pension Benefits
For the Year Ended June 30

	2000 Superannuation Fund (Note 7) ($000)	1999 Superannuation Fund ($000)
BEGINNING OF YEAR	$ 3,639,000	$ 3,546,000
INCREASE IN ACCRUED PENSION BENEFITS:		
Interest on Accrued benefits	236,000	264,000
Benefits Accrued	50,000	40,000
Impact of New Collective bargaining agreement	4,000	–
	290,000	304,000
DECREASE IN ACCRUED PENSION BENEFITS:		
Benefits Paid	194,000	188,000
Experience Gains	67,000	–
Change in valuation assumptions	198,000	23,000
	459,000	211,000
Accrued Pension Benefits, End of Year	$ 3,470,000	$ 3,639,000

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Notes to the Financial Statements
For The Year Ended June 30, 2000

1. Status of the Commission

The Teachers' Superannuation Commission administers a pension plan, the Teachers' Superannuation Plan consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund. The Teachers' Superannuation Fund is used to account for the net assets accumulated for a defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of Plan

The following description is a summary only. For more complete information, reference should be made to *The Teachers Superannuation and Disability Benefits Act.*

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The Department of Education appropriation pays into the Teachers' Superannuation Fund (Fund) an amount equal to the amount contributed by members. Also, the Department pays the Superannuation Fund other contributions pursuant to subsection 9(4) of *The Teachers Superannuation and Disability Benefits Act.* Section 9(4) of the Act requires the Department to yearly pay an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year. These amounts do not include disability benefit payments.

b) Age and Service Allowance

The annual amount of pension is determined as follows:
- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 4 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is no spouse or dependent children, the nominee or estate receives a lump sum payment of the difference, if any, between the teachers' contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Teachers' Superannuation Commission administers the Voluntary Contributions Fund. This Fund is continued under *The Teachers Superannuation and Disability Benefits Act*. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in *The Income Tax Act*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund. This amount is reduced by amounts paid out of the Fund at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Investments

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investments and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in market value of investments.

Pooled funds are valued based on the quoted market price of the underlying investment; normally the current bid price.

Short-term investments are valued at cost which approximates market value.

Mortgages are recorded at fair value. Fair value is determined by discounting the present value of all income streams accruing to the mortgage. The discount rate applied to these income streams reflect the current market rate for comparable mortgages of a comparable term.

Real estate is recorded at fair value as estimated by independent appraisals.

The fair value of the investments approximates the market value.

b) Actuarial Asset Value Adjustment

The actuarial value of net assets available for benefits is determined by reference to market trends consistent with assumptions underlying the valuation of accrued pension benefits. The actuarial asset value adjustment represents the difference between the actual and management's best estimate of return on the Superannuation Fund amortized over four years. Using this adjustment, fair value remains the underlying basis for asset valuation, but fluctuations are averaged over a four-year period.

3. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian and foreign equities, pooled funds, money market securities, bonds and real estate.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Canadian Bond Rating Service.

Teachers' Superannuation Fund

The Teachers Superannuation and Disability Benefits Act and the Plan's investment policy require that all the Plan's investments comply with the provisions of *The Pension Benefits Act, 1992. The Pension Benefits Act, 1992* does not allow any one holding to represent more than 10% of the book value of the Plan's portfolio.

Short-term Investments

These investments are comprised of T- Bills, notes and commercial paper with effective interest rates of 5.13% to 6.28% (1999 - 4.61% to 5.04%) and a weighted average term to maturity of 151 days (1999 - 101 days). Interest is receivable at maturity.

Bonds and Debentures

The Plan's investment policy limits its investment concentration in any one investee or related group to no more than 10% of that corporations book value of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service or be specifically approved by the Commission.

For the Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described below.

		2000			1999		
	Years to Maturity	Market Value (000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Market Value (000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
Federal Bonds Government of Canada	1-5	$ 76,547	6.02	5.24	$ 149,499	5.27	5.07
	6-10	290,290	5.73	5.59	165,500	5.46	5.77
	11-15	85,113	5.87	6.00	--	--	--
	20+	131,385	5.54	5.75	236,684	5.51	5.71
Provincial and Provincially Guaranteed Bonds Other Provinces	1-5	67,476	5.80	7.08	61,851	5.60	7.45
	6-10	61,329	6.25	6.61	55,141	5.76	7.15
	11-15	6,490	6.33	7.85	--	--	--
	16-20	11,578	6.46	6.00	12,185	5.98	6.00
	20+	36,806	6.29	6.40	39,848	6.13	6.74
Saskatchewan	6-10	8,267	6.28	5.50	11,509	5.79	5.50
	20+	2,710	6.32	5.75	--	--	--
Municipal	1-5	24	6.17	8.13	31	5.54	8.13
Corporate Bonds	1-5	69,608	6.48	6.10	58,248	5.88	5.64
	6-10	31,988	6.96	6.74	61,967	6.04	5.07
	11-15	13,496	6.67	6.76	--	--	--
	20+	12,517	6.89	6.50	6,805	6.96	7.09
Total		$ 905,624			$ 859,268		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

	2000	1999
	(market values) (000's)	
Common shares - Canadian	$ 666,602	$ 559,472
- Foreign	191,346	183,215
Private Equity	45	93
	$ 857,993	$ 742,780

The Plan's investment policy limits any holding to represent no more than 10% of the outstanding shares of the issuing corporation. Foreign equities and pooled funds are denominated in Canadian dollars and are limited to 25% of the cost of the portfolio. The Superannuation Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the year was 2.83 % (1999 - 1.69%).

Pooled Funds

The Superannuation Fund holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the manager.

The Teachers' Superannuation Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2000	1999	2000	1999	2000	1999	2000	1999
	(000's)				($000's)		($000's)	
Greystone Emerging Market Fund	1,849	1,972	21.94	21.12	$ 19,834	$ 18,143	$ 3,891	$ 1,471
Greystone Non North American Fund	6,561	6,617	13.31	13.75	105,894	94,550	21,245	3,044
					$ 125,728	$ 112,693	$ 25,136	$ 4,515

Mortgages

Investment in mortgages consist of Canadian properties. The net yield at the time of commitment is expected to exceed the yield on "A" rated bonds of similar terms by a minimum of 1.5% after administration fees. Principal and interest are received on a monthly basis.

Real Estate

Investments in real estate consist of Canadian property and are subject to approval by the Commission before each acquisition. Included in real estate are investments in related real estate corporations (see Note 6 c).

Voluntary Contributions Fund

Pooled Funds

The Voluntary Contributions Fund holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the manager.

The Voluntary Contributions Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2000	1999	2000	1999	2000	1999	2000	1999
	(000's)				($000's)		($000's)	
Greystone Canadian Fixed Income Fund	156	149	2.49	3.18	$ 1,534	$ 1,430	$ 74	$ 44
Greystone Canadian Equity Fund	48	49	1.95	3.92	930	708	282	(121)
Greystone Capital Non North American Fund	9	11	.02	0.02	138	162	38	24
Greystone US Equities Pooled Fund	11	10	.54	2.55	149	145	(7)	48
					$ 2,751	$ 2,445	$ 387	$ (5)

4. Teachers' Superannuation Fund - Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. The Commission has determined that only 25% of the current period change in market values of investments (includes both realized and unrealized gains and losses) will be recognized as part of investment earnings. The remaining 75% will be recognized equally over the following three years as part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year.

5. Voluntary Contributions Fund - Earnings Allocation to Members

The Commission allocates all realized and unrealized gains/losses at year-end. During the year, the Commission allocated investment earnings of $392,883 to teacher accounts (1999 - $72,110).

6. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also the Commission is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with *The Teachers Superannuation and Disability Benefits Act* (Act), all expenses of the administration of the Act are paid out of monies appropriated from the General Revenue Fund to the Department of Education by the Legislature. Accordingly, no provision for these costs is included in these financial statements.

Expenses related to managing, investing or disposing of assets of the Teachers' Superannuation Fund and the Voluntary Contributions Fund are to be paid out of both Funds. The annual expenses for custodial fees and investment management fees are paid to Royal Trust and Greystone Capital Management Inc. respectively.

	2000			1999		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
	($000)	($000)	($000)	($000)	($000)	($000)
Custodial fees	$ 132	$ 7	$ 139	$ 283	$ 9	$ 292
Investment fees	2,041	3	2,044	1,654	3	1,657
	$ 2,173	$ 10	$ 2,183	$ 1,937	$ 12	$ 1,949

b) Investment Management Services

Greystone Capital Management Inc. (GCMI) provides investment management services to the Teachers' Superannuation Fund and the Voluntary Contributions Fund on a fee-for-service basis. The Superannuation Fund is a shareholder in GCMI. The Superannuation Fund holds 223,811 common shares (1999 – 223,811 common shares), 14.5% of the total shares outstanding in GCMI (1999 – 16.1%).

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of $10,977,459 (1999 - $11,508,610) and income including change in market value totalling $280,550 (1999 - $4,329,380).

Included in the total real estate investment at year end are SaskPen Properties Ltd., SP Two Properties Ltd. and SaskMet Properties Ltd. holdings totalling $4,183,328 (1999 - $4,459,569). Also income of $174,996 (1999 - income of $266,443) on these properties is included in change in market value of investments. These are real estate corporations owned by Government of Saskatchewan managed public sector pension plans.

Other transactions with related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

7. Actuarial Valuation - Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method pro rated on services and the best estimate assumptions of the Teachers' Superannuation Commission. An actuarial valuation of the Teachers' Superannuation Fund was prepared by William M. Mercer Limited as at June 30, 1999, and an extrapolation was made to June 30, 2000. In the prior year an extrapolation was made to June 30, 1999 from an actuarial valuation as at June 30, 1997 by William M. Mercer Limited.

The pension liability is based on a number of assumptions about future events including interest, rate of salary increase, inflation, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued pension benefits were:

- inflation at 2.0% for 2000 and 2001, and 3.25% thereafter.
- salary increases at 2.0% for 2000, 2.5% for 2001, and 3.75% thereafter.
- interest rate at 7.0% for 2000 and 2001 and 7.25% thereafter.

The following illustrates the effect of changing certain assumptions from the assumed rates of salary 3.75%, interest 7.25% and inflation 3.25%. For the salary and interest rate categories, the changes in assumption are independent of one another. The inflation category, however, is affected by other assumptions that have an interest component. In the scenario of the 1% reduction in inflation, the assumptions for the interest rate, salary increase, YPME and Canada Customs and Revenue Agency pension maximum are also reduced by 1%.

	Long-term Assumptions					
Effect on Liability	Salary		Interest Rates		Inflation	
	2.75%	4.75%	6.25%	8.25%	2.25%	4.25%
(Decrease) increase (in 000's)	$(32,636)	$35,983	$384,609	$(369,605)	$95,412	$(88,417)

For the June 30, 1999 valuation, extrapolated to June 30, 2000, the mortality and retirement age assumptions were changed to better reflect experience being observed in the Superannuation Fund. These changes in the actuarial assumptions resulted in a decrease in accrued pension benefits of $198 million.

Experience gains of $67 million arose from differences between the actual and expected experience of termination, retirement and mortality. Also, the pensioner increase for inflation indexing was lower than expected.

8. Investment Performance

The following is a summary of the Plan's investment performance:

	2000	Rolling Four Year Average Annual Return
Teachers' Superannuation Fund (a)	16.4%	16.1%
Target Rate of Return (b)	21.34%	16.7%
Voluntary Contributions Fund (a)	14.9%	14.3%
Target Rate of Return (b)	18.6%	14.4%

(a) The annual returns are before deducting investment expenses.

(b) The Commission's target rate of return for its investment portfolio (return on the benchmark portfolio plus 10%) has been determined, after the fact, using the actual returns of the market indexes outlined above.

9. Due From General Revenue Fund

The Teachers' Superannuation Fund and the Voluntary Contributions Fund bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the General Revenue Fund.

The Funds' share of this interest is allocated and paid by the General Revenue Fund on a quarterly basis into the Funds' bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty day borrowing rate in 1999-2000 was 4.99%.

10. Disability Benefits

The annual amount of disability benefits is determined by applying the regular allowance formula and is payable to a teacher who:

a) is disabled because of total physical or mental incapacity for teaching; and
b) has 10 years of service; and
c) has at least three years of service in the five years preceding disablement; and
d) has not attained age 65.

Payments may be discontinued or reduced on recovery or re-employment. The allowance is recalculated at age 65 to include service while on the Saskatchewan Teachers' Federation Income Continuance Plan.

Subsection 38(2) of *The Teachers Superannuation and Disability Benefits Act* states the disability benefits are a charge on and payable out of the General Revenue Fund. The $8,924,437 (1999 - $8,019,099) in disability benefits flowed through the Teachers' Superannuation Fund for administrative purposes only and is not reflected in these financial statements. The Department of Education provided contributions equal to the disability benefits.

Disability Benefits - Actuarial Valuation

The present value of accrued disability benefits was determined using the projected benefit method pro rated on services and the best estimate assumptions approved by the Teachers' Superannuation Commission. An actuarial valuation of the Teachers' Disability Benefits was prepared by William M. Mercer Limited as at June 30, 1999 , and an extrapolation was made to June 30, 2000. In the prior year an extrapolation was made to June 30, 1999 from an actuarial valuation as at June 30, 1997 by William M. Mercer Limited.

The actuarial present value of benefits as at June 30 and the principle components of change in actuarial present values during the year were as follows:

	2000 (000's)	1999 (000's)
Actuarial present value of accrued disability benefits at beginning of year	$ 66,000	$ 69,000
Interest accrued on benefits	5,000	5,000
Experience gains	6,000	--
Benefits accrued	1,000	1,000
Benefits paid	(9,000)	(8,000)
Change in valuation assumptions	1,000	(1,000)
Actuarial present value of accrued disability benefits, end of year	70,000	66,000
Net assets available for benefits	--	--
Unfunded liability	$ 70,000	$ 66,000

The disability liability is based on a number of assumptions about future events, including interest, rate of salary increase, inflation, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued disability benefits were the same as for determining the accrued pension benefits (see Note 7).

The following illustrates the effect of changing certain assumptions from the assumed rates of salary 3.75%, interest 7.25% and inflation 3.25%.

	Long-term Assumptions					
Effect on Liability	Salary		Interest Rates		Inflation	
	2.75%	4.75%	6.25%	8.25%	2.25%	4.25%
(Decrease) increase (in 000's)	$ (373)	$ 421	$ 4,541	$ (4,788)	$ 1,534	$ (1,441)

The disability liability is long-term in nature. The Plan has no intention of settling its disability obligation in the near term and there is no market for settling its disability obligations. Therefore, determination of the fair value for the disability liability is not practical.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income and proceeds from the sale of investments expected to be received by the pension plan. The Department of Education (Department) contributions include matching contributions and additional amounts contributed pursuant to subsection 9(4) of *The Teachers Superannuation and Disability Benefits Act*. The total cash outflow is the amount required to pay all pension obligations. The forecast of cash inflows and outflows have been determined using the long-term assumptions outlined in Note 7. All amounts shown are based on actual dollar forecasts.

The cash required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2030:

	Cash Inflows				
Year	Investment Income (000's)	Teachers Contributions (000's)	Department Contributions (000's)	Cash Outflows (000's)	Cash Required/ (Surplus) (000's)
2000-2001	$ 202,945	$ 17,658	$ 52,578	$ 201,857	$ (71,324)
2001-2002	162,575	16,602	52,086	208,032	(23,231)
2002-2003	176,706	15,435	52,996	216,567	(28,570)
2003-2004	139,401	14,339	53,273	226,390	19,377
2004-2005	138,550	13,157	45,315	237,201	40,179
Total within 5 years	$ 820,177	$ 77,191	$ 256,248	$ 1,090,047	$ (63,569)
Total 6 - 10 years	$ 637,149	$ 45,277	$ 238,149	$ 1,345,174	$ 424,599
Total 11 - 30 years	$ 737,812	$ 16,892	$ 4,148,521	$ 6,328,370	$ 1,425,145

12. Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:
For the following financial instruments including:
a) due from General Revenue Fund
b) accrued investment income
c) contributions receivable
d) accounts payable
e) bank overdraft

the cost approximates the fair value due to their immediate or short-term maturity.

The fair values of investments are considered to be market value.

The pension liability is long-term in nature. The Plan has no intention of settling its pension obligations in the near term and there is no market for settling the pension obligations. Therefore, determination of the fair value for the pension liability is not practical.

13. Comparative Figures

Certain comparative figures have been restated to conform with the current year's presentation.

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan
Province of Saskatchewan

We have audited the statement of net assets available for benefits of the Workers' Compensation Board Superannuation Plan as at December 31, 2000 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Workers' Compensation Board Superannuation Plan as at December 31, 2000 and the changes in net assets available for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.

Chartered Accountants

Regina, Canada
March 2, 2001

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2000 with comparative figures for 1999

	2000	1999
ASSETS		
Investments		
Short-term investments	$ 2,080,491	$ 2,051,725
Bonds and debentures	14,192,931	13,254,962
Equities	10,994,508	9,087,017
Pooled Funds	4,175,603	4,908,032
	31,443,533	29,301,736
Receivables		
Employees' contributions	18,853	172
Accrued investment income	229,169	134,550
Other	341	222
	248,363	134,944
Due from General Revenue Fund (Note 4)	20,013	14,160
Cash	7,899	23,374
Total assets	$31,719,808	$29,474,214
LIABILITIES		
Administration expenses payable	$ 12,868	$ 17,837
Total liabilities	12,868	17,837
NET ASSETS AVAILABLE FOR BENEFITS	$31,706,940	$29,456,377

(See accompanying notes to the financial statements)

On behalf of the Board:

Chairman

Board Member

Board Member

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2000 with comparative figures for 1999

	2000	1999
INCREASE IN ASSETS		
Investment income		
Interest	$ 945,307	$ 833,152
Dividends - equities	152,799	118,785
Dividends - pooled funds	364,526	291,211
Other	1,801	1,472
	1,464,433	1,244,620
Current year change in market values of investments	1,667,281	1,552,007
Contributions		
Employee	152,564	149,584
Total increase in assets	3,284,278	2,946,211
DECREASE IN ASSETS		
Administration expenses (Note 9)	128,846	88,790
Refunds and transfers:		
Contributions	-	421
Superannuation allowances	904,869	896,873
Total decrease in assets	1,033,715	986,084
Increase in net assets available for benefits	2,250,563	1,960,127
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	29,456,377	27,496,250
NET ASSETS AVAILABLE FOR BENEFITS, end of year	$31,706,940	$29,456,377

(See accompanying notes to the financial statements)

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Description of the Plan

a) General

The Workers' Compensation Board Superannuation Plan (the Plan) was established under *The Workers' Compensation Board Superannuation Act.* Membership is comprised of employees and board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

b) Administration

The Workers' Compensation Superannuation Board administers the Plan. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Superannuation Plan

The Plan was established to accumulate contributions paid by employees and the employer, as well as any investment income.

Pensions and refunds of contributions together with interest are paid out of the Plan.

d) Funding Policy

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of the commencement with the Plan.

The contributions required to be paid by the employer are calculated by applying a predetermined rate to the members' contributions.

e) Retirement

Normal retirement is at age 65. Members who retire may receive benefit payments earlier under the following conditions:

- at any age after 35 years of service,
- at age 60 with at least 20 years of service,
- at age 60 with between 15 years and 20 years of service with a reduced pension,
- at age 55 with at least 30 years of service with a reduced pension.

f) Pension

The annual pension payable to a member is 2% of the average salary received by the member during the five years of highest salary, multiplied by the total number of years of service. The maximum number of years of service is 35 years.

At age 65, the member's pension is reduced, due to integration with the Canada Pension Plan, by an amount equal to 0.7% of the member's average salary up to the average pensionable earnings prescribed by the Canada Pension Plan in the last 3 years before retirement, multiplied by the number of years of service of the member since January 1, 1966.

2. Significant Accounting Policies

Investments

i) Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date.

ii) Pooled funds are valued based on the net asset value per unit of the underlying assets on the last valuation date.

iii) Short-term investments are recorded at market value.

Current Year Change in Market Value of Investments

i) The change in market value reflects the current year's realized and unrealized gains and losses on investments.

3. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures, and investment returns into assets such as Canadian equities, pooled funds, money market securities, and bonds.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for an investee to fail or for an issuer to default on its contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Canadian Bond Rating Service.

Short-Term Investments

Short-term investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 5.5% to 6.3% (1999 - 4.7% to 5.5%) and an average remaining term to maturity of 95 (1999 - 93) days. The Plan's investment policy states that investments must meet a minimum investment standard of "R-1" rating, as rated by a recognized credit rating service. Other than Government of Canada no single issuer represents more than 14.7% of the market value (1999 - 26.7%) of the short-term investment portfolio.

Bonds

The Plan's investment policy states that bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 5% of the bond portfolio may be invested in BBB rated bonds. As at December 31, 2000, the Plan held 4.0% (1999 - 0.3%) of its portfolio in BBB bonds.

2000

Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$4,546,585	$ 693,356	$1,247,283	$ 6,487,224	5.1-8.4%	4.9-8.8%
5 – 10	454,447	1,644,552	865,330	2,964,329	5.3-8.2%	5.3-10.8%
Over 10	3,215,138	1,008,056	518,184	4,741,378	3.6-8.3%	6.5-11.3%
Market Value	$8,216,170	$3,345,964	$2,630,797	$14,192,931		

1999

Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$2,174,632	$ 594,455	$ 998,279	$ 3,767,366	5.0-7.6%	4.9-8.0%
5 – 10	1,992,825	1,506,769	541,354	4,040,968	5.8-8.0%	5.5-8.8%
Over 10	4,601,959	534,897	309,772	5,446,628	3.7-7.4%	4.3-8.0%
Market Value	$8,769,416	$2,636,141	$1,849,405	$13,254,962		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

Equities have no fixed maturity dates and are generally not exposed to interest rate risk. Dividends are generally declared on an annual basis. The average effective dividend rate is 1.52%.

The Plan's investment policy allows no one holding to represent more than 10% of the market value of the related portfolio and no one holding to represent more than 10% of the common stock in any corporation.

Pooled Funds

The Plan limits its investments in pooled equity funds to 10% of the market value of each fund. Foreign equities including foreign pooled funds are limited to 25% of the cost of the investment portfolio and are denominated in Canadian dollars. The Plan owns units in pooled equity funds which have no fixed interest rate and whose return is based on the success of the fund manager. The Plan's pooled funds are comprised of the Greystone Managed Investments Limited U.S. Equity Fund and Greystone Managed Investments Limited Non-North American Fund.

4. Due from General Revenue Fund

The Plan's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Plan's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty day borrowing rate and the Plan's average daily bank account balance. The Government's average thirty day borrowing rate in 2000 was 5.50%.

5. Employer Contributions

The Workers' Compensation Board declared a holiday on employer contributions as the Plan has an actuarial surplus (see Note 6).

6. Obligations for Pension Benefits

The accrued benefit obligation is determined using the projected benefit method pro-rated on service and management's best estimate assumptions approved by the Workers' Compensation Superannuation Board of expected plan investment performance, salary escalation and retirement ages of employees. The most recent actuarial valuation was made as at December 31, 1999 by William M. Mercer Limited, and extrapolated to December 31, 2000.

The actuarial present value of benefits as at December 31, and the principal components of changes in actuarial present values during the year, were as follows:

	2000	1999
Accrued benefit obligation at beginning of the year	$21,800,000	$19,840,000
Effect of change in assumptions	(1,275,000)	-
Experience changes	-	1,094,000
Interest accrued on benefits	1,391,000	1,371,000
Benefits accrued	400,000	392,000
Benefits paid	(905,000)	(897,000)
Accrued benefit obligation at end of the year	21,411,000	21,800,000
Less: Fair value of plan assets	31,707,000	29,456,000
Surplus	$10,296,000	$ 7,656,000

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2000	1999
Discount rate	6.78%	7.00%
Expected long-term rate of return on plan assets	7.25%	7.00%
Salary escalation rate	3.75%-5.25%	5.00%-7.50%
Inflation rate	3.25%	4.00%

The accrued benefit obligation for December 31, 2000 is $21,411,000. It is based on a number of assumptions about future events including: discount rate, expected long-term rate of return on plan assets, rate of salary increase, mortality, retirement rates and inflation. The actual rates may vary significantly from the long-term assumptions used.

The accrued benefit obligation contains a provision for ad hoc increases as they are subject to Lieutenant Governor in Council approval. The ad hoc assumption is 50% of CPI based on previous year's experience. The Lieutenant Governor in Council may provide for supplementary allowances to be paid to superannuates in any year, in any amount and subject to any terms and conditions he considers advisable.

The following illustrates the effect of changing certain assumptions:

a) Long-term inflation was assumed to be 3.25%. If it were assumed to be

- 4.25%, the liabilities would decrease by approximately 5.2%.
- 2.25%, the liabilities would increase by approximately 5.2%.

b) Ad hoc increases were assumed to be 50% of CPI. If it were assumed to be

- 60% of CPI, the liabilities would increase by 2.7%.
- 40% of CPI, the liabilities would decrease by 2.7%.

Inflation related rates will change whenever inflation does.

If there are insufficient moneys in the Plan to pay allowances or other payments, the Workers' Compensation Board is obligated to pay any such deficiency to the Plan.

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common influence by the Government of Saskatchewan.

Certain administration expenses are paid by the Plan to the Public Employees Benefits Agency Revolving Fund based upon agreed exchange amounts.

8. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Board. The Board reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over 4 year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2000	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	10.8%	12.2%
Target rate of return (b)	6.5%	10.3%

(a) The annual returns are before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 Index, Morgan & Stanley Canadian Index-World and the Scotia Capital Markets Universe Bond Index.

9. Administration Expenses

	2000		1999
	Budget	Actual	Actual
Administration - PEBA Revolving Fund	$102,753	$ 63,815	$ 90,613
Custodian fees - Royal Trust	-	24,223	18,335
Investment management fees - Greystone	-	40,808	(20,158)
	$102,753	$128,846	$ 88,790

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Liquor and Gaming Authority as at March 31, 2000 and the statements of operations and retained earnings, and cash flows for the year then ended. The Authority's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
March 16, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

LIQUOR AND GAMING AUTHORITY
STATEMENT OF FINANCIAL POSITION
As at March 31

	2000 (000's)	1999 (000's)
ASSETS		
Current assets:		
Cash	$ 849	$ 630
Due from General Revenue Fund (Note 3)	40,922	43,904
Deposit in General Revenue Fund (Note 4)	631,200	318,000
Accounts receivable	11,054	11,898
Prepaid expenses	2,149	1,623
Inventories (Note 5)	14,675	12,488
	700,849	388,543
Capital assets (Note 6)	32,040	26,889
Deferred goods and services tax (Note 7)	515	556
	$ 733,404	$ 415,988
LIABILITIES AND RETAINED EARNINGS		
Current liabilities:		
Accounts payable	$ 11,766	$ 8,110
Accrued pension costs (Note 8)	23,485	21,056
	35,251	29,166
Retained earnings (Statement 2)	698,153	386,822
	$ 733,404	$ 415,988

Commitments (Note 9)

(See accompanying notes to the financial statements)

Statement 2

LIQUOR AND GAMING AUTHORITY
STATEMENT OF OPERATIONS AND RETAINED EARNINGS
For the Year Ended March 31

	2000		1999
	Budget (000's) (Note 11)	Actual (000's) (Note 14)	Actual (000's)
Revenues			
Liquor sales (Note 12)	$ 321,633	$ 329,984	$ 321,963
VLT	207,000	214,845	199,301
	528,633	544,829	521,264
Cost of sales	198,183	204,157	196,206
Gross profit	330,450	340,672	325,058
Casino income (Note 13)	15,800	13,374	17,000
Other income (Schedule 2)	8,126	10,785	10,937
	354,376	364,831	352,995
Expenses			
Operating expenses (Schedule 1)	55,170	50,753	51,314
Goods and services tax (Note 7)	3,506	2,747	2,752
	58,676	53,500	54,066
Net income for the year	$ 295,700	311,331	298,929
Retained earnings, beginning of year		386,822	417,893
		698,153	716,822
Transfer to General Revenue Fund (Note 4)		---	330,000
Retained earnings, end of year - to Statement 1		$ 698,153	$ 386,822

(See accompanying notes to the financial statements)

Statement 3

LIQUOR AND GAMING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2000 (000's)	1999 (000's)
Cash flows from operating activities:		
Cash receipts from customers	$ 565,027	$ 546,887
Interest received	4,805	4,643
Cash paid to suppliers and employees	(244,506)	(234,366)
Goods and services tax paid (Note 7)	(2,706)	(2,752)
	322,620	314,412
Cash flows from investing activities:		
Purchase of capital assets	(12,183)	(6,986)
Cash flows from financing activities:		
Cash deposited in General Revenue Fund (Note 4)	(313,200)	(295,200)
Net (decrease) increase in cash	(2,763)	12,226
Cash, beginning of year	44,534	32,308
Cash, end of year	$ 41,771	$ 44,534
Cash consists of:		
Cash	$ 849	$ 630
Due from General Revenue Fund	40,922	43,904
	$ 41,771	$ 44,534

(See accompanying notes to the financial statements)

LIQUOR AND GAMING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2000

1. Description of Business

The Liquor and Gaming Authority operates under the authority of *The Alcohol and Gaming Regulation Act*. The Authority's mandate is to support, develop and regulate the Saskatchewan liquor and gaming industries and to maximize public benefit through high quality services and products.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles. The significant policies which have been adopted are described below.

(a) Basis of Accounting

These financial statements are prepared using the accrual basis of accounting.

(b) Revenue

Liquor Sales

Sales are reflected in the accounts net of returns, container deposits, GST, Liquor Consumption Tax and discounts.

Licence Fees

Pursuant to *The Gaming Licensing Regulations*, the Authority charges an application fee for gaming licences. A fee based on net revenues generated is levied only on exhibition casino licensees.

Video Lottery Terminals (VLT)

Revenue is recorded net of prize payouts.

(c) Inventories

Inventories of wine, coolers, spirits and beer are valued at the lower of cost and net realizable value.

(d) Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is calculated on a straight-line basis at rates designed to allocate the cost of the capital assets over their estimated useful lives. Rates are as follows:

Buildings	2.5 - 5% per annum
Equipment	15 - 33% per annum
VLTs & Slots	20% per annum

Leasehold improvements are amortized over the term of the lease.

(e) Pension Expense

The cost of pension benefits earned by employees who are members of the Authority's defined benefit plan, known as the Liquor Board Superannuation Plan, is determined using the projected benefit method prorated on the basis of term of service. It is charged in the accounts as an expense as the service is rendered. The amount of the expense reflects management's best estimate of the plan's expected investment yields, salary adjustments, mortality of members, terminations, the ages at which members will retire and ad hoc increases, based upon the Consumer Price Index, to be granted by the Lieutenant Governor in Council.

Based upon the most recent actuarial valuation of the plan, adjustments arising from plan amendments, experience gains and losses and changes in assumptions are amortized over the estimated average remaining service lives of the employees who are members of the defined benefit plan which is 8.5 years. The difference between the amount expensed and the amount funded is reflected as a liability on the balance sheet.

3. Due from General Revenue Fund

Most of the Authority's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Earned interest is calculated and paid by the General Revenue Fund on a monthly basis into the Authority's bank accounts using the Government's thirty day borrowing rate and the Authority's daily bank balance. The Government's average thirty day borrowing rate for 1999/00 is 4.79% (1998/99 – 5.04%).

4. Deposits in General Revenue Fund

These deposits represent advances to the General Revenue Fund pursuant to Section 175(5) of *The Alcohol and Gaming Regulation Act*. These amounts, which are non-interest bearing, are deposited to the credit of the Authority in the General Revenue Fund until Treasury Board directs that they be transferred to the General Revenue Fund pursuant to Section 175(1). Deposits in General Revenue Fund at March 31, were determined as follows:

	2000 (000's)	1999 (000's)
Balance at beginning of year	$ 318,000	$ 352,800
Deposits during the year pursuant to Section 175(5)	313,200	295,200
Transfer to General Revenue Fund pursuant to Section 175(1)	---	330,000
Balance at end of year	$ 631,200	$ 318,000

5. Inventories

	2000 (000's)	1999 (000's)
Wines, coolers and spirits in stores	$ 6,211	$ 5,920
Wines, coolers and spirits in warehouse	7,708	5,449
Beer in stores	756	1,119
	$ 14,675	$ 12,488

6. Capital Assets

	2000			1999		
	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)
Sites	$ 2,074	$ —	$ 2,074	$ 2,074	$ —	$ 2,074
Buildings	20,290	9,524	10,766	20,516	9,223	11,293
VLTs	36,669	31,761	4,908	34,903	30,971	3,932
Slots (see Note 13)	10,652	7,165	3,487	10,184	4,490	5,694
Furniture & equipment	19,893	11,067	8,826	13,159	10,051	3,108
Leasehold improvements	5,181	3,202	1,979	3,342	2,554	788
	$ 94,759	$ 62,719	$ 32,040	$ 84,178	$ 57,289	$ 26,889

7. Goods and Services Tax

The Authority is on the prescribed list of lottery corporations pursuant to Section 188 of the Federal *Excise Tax Act*. In lieu of collecting GST on VLT and slot revenue at the retail level, the Authority calculates and remits GST according to a formula prescribed by Revenue Canada.

The formula requires the Authority to pay 14% on the purchase of taxable goods and services related to gaming programs and 7% on VLT site contractor commissions. One-half of the GST paid on gaming program capital assets is set up as a deferred tax and is amortized on a straight-line basis over the useful life of those capital assets.

8. Pension Plan

The Authority maintains pension plans which provide retirement benefits for employees. The Public Employees Pension Plan is a defined contribution plan. Employee contributions to this plan are matched by the Authority on an ongoing basis. The total contributions matched in 2000 were $756,000. This equals the Authority's pension expense for members of this plan.

The defined benefit plan is administered by The Liquor Board Superannuation Commission. It provides superannuation allowances to those employees and Board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

The defined benefit plan provides for superannuation allowances which are based on employees' years of service and their highest five years' earnings. The plan requires contributions from both employees and the Authority. The latest actuarial valuation of the Liquor Board Superannuation Plan was performed at December 31, 1999 by Aon Consulting. The valuation results in an unfunded liability of $28.0 million. This consists of the actuarial present value of accrued benefits in the amount of $42.2 million less the market value of superannuation fund assets of $14.2 million.

The pension liability is based on a number of assumptions about future events like interest and the rate of salary increases. Actual rates may vary significantly from the long term assumptions used.

The Authority is providing for the unfunded liability by accruing as an expense an amount which is in excess of that which has been funded. Included in this accrual are bridging costs and retirement allowances pertaining to the early retirement program and ad hoc increases that are subject to Lieutenant Governor in Council approval. The accrued pension costs as at March 31 was determined as follows:

	2000 (000's)	1999 (000's)
Accrued pension costs, beginning of year	$ 21,056	$ 18,571
Pension expense:		
Current service costs	283	269
Early retirement costs	27	27
Net amortization	3,542	3,408
	3,852	3,704
Less: amounts funded	1,423	1,219
Accrued pension costs, end of year	$ 23,485	$ 21,056

9. Lease Commitments

The Authority, as lessee, is committed under operating leases on leased premises with future minimum payments due as follows:

Year Ending March 31	(000's)
2001	$ 2,673
2002	2,192
2003	1,722
2004	1,592
2005	1,375
Subsequent years	3,274
Total	$ 12,828

10. Fair Value

Cash, due from General Revenue Fund, Deposits in General Revenue Fund, accounts receivable and accounts payable are all short-term in nature and as such their carrying value approximates fair value. Fair value for accrued pension costs has not been included because it is not practicable to determine fair value for accrued pension costs.

11. 2000 Budget

These amounts represent the budget approved by Treasury Board.

12. Liquor Sales

	2000 (000's)	1999 (000's)
Wine, coolers and spirits		
In stores:		
- To permittees	$ 30,558	$ 29,346
- To public	115,612	111,552
	146,170	140,898
To franchises:		
- To permittees	4,976	5,192
- To public	20,151	20,718
	25,127	25,910
	171,297	166,808
Beer		
- To permittees	113,910	111,631
- In stores	41,927	40,585
- To franchises	2,850	2,939
	158,687	155,155
Total	$ 329,984	$ 321,963

13. Agreements with the Saskatchewan Indian Gaming Authority

On February 10, 1995, the Government of Saskatchewan made an agreement (Framework Agreement) with the Federation of Saskatchewan Indian Nations (FSIN), for the purpose of increasing economic and employment opportunities for Aboriginal peoples through casino development within the parameters of *The Criminal Code of Canada*.

To implement the Framework Agreement, the Authority and the Saskatchewan Indian Gaming Authority (SIGA) made agreements for casino operations and slot machine management. The casino operating agreement requires SIGA to pay the net profits from slot machines to the Authority. The slot machine management agreement ensures the Authority recovers at least the cost of slot machines, the related computer system, and interest over 5 years. The net profits from the SIGA operated casinos flow through the Authority to the Government's General Revenue Fund (GRF). The Government retains a portion of those net profits in the GRF and appropriates the remaining net profits to the First Nations Fund (FNF), the Associated Entities Fund (AEF), and Community Development Corporations (CDCs) in accordance with *The Saskatchewan Gaming Corporation Act* and the 1995 Framework Agreement as amended.

Accounts receivable includes $5.2 million (1999 - $6.4 million) due from SIGA.

14. Segmented Information

The Authority operates in three segments - liquor, VLT and other gaming.

The liquor segment reflects the retailing and licensing of beverage alcohol activities within the province.

The VLT segment pertains to the operation of the VLT program under the authority of Section 207 of *The Criminal Code of Canada* and *The Alcohol and Gaming Regulation Act*.

The other gaming segment reflects the activities of casinos operated by the Saskatchewan Indian Gaming Authority (see Note 13). This segment also reflects the licensing and support of charitable and religious organizations who conduct and manage bingos, casinos, raffles and breakopen ticket sales and the regulation and support of the horse racing industry.

The following table shows key amounts by segment. There were no sales or eliminations between segments.

	SEGMENTS							
	LIQUOR		VLT		OTHER GAMING		TOTAL	
	2000 (000's)	1999 (000's)	2000 (000's)	1999 (000's)	2000 (000's)	1999 (000's)	2000 (000's)	1999 (000's)
Sales	$ 329,984	$ 321,963	$ 214,845	$ 199,301			$ 544,829	$ 521,264
Cost of Sales	170,959	165,462	33,198	30,744			204,157	196,206
Gross profit	159,025	156,501	181,647	168,557			340,672	325,058
Casino income	—	—	—	—	$ 13,374	$ 17,000	13,374	17,000
Other income	3,840	4,291	2,587	2,550	4,358	4,096	10,785	10,937
Total revenue	162,865	160,792	184,234	171,107	17,732	21,096	364,831	352,995
Operating expenses	32,895	31,221	8,023	11,509	9,835	8,584	50,753	51,314
Goods and services tax	—	—	2,644	2,673	103	79	2,747	2,752
Total expenses	32,895	31,221	10,667	14,182	9,938	8,663	53,500	54,066
Net income	129,970	129,571	173,567	156,925	7,794	12,433	311,331	298,929
Retained earnings, beginning of year	305,883	321,551	70,275	88,764	10,664	7,578	386,822	417,893
Transfer to General Revenue Fund	—	145,239	—	175,414	—	9,347	—	330,000
Retained earnings, end of year	$ 435,853	$ 305,883	$ 243,842	$ 70,275	$ 18,458	$ 10,664	$ 698,153	$ 386,822
Total assets	$ 468,059	$ 334,358	$ 245,474	$ 70,947	$ 19,871	$ 10,683	$ 733,404	$ 415,988
Capital expenditure	$ 3,881	$ 3,956	$ 1,559	$ 394	$ 6,743	$ 2,636	$ 12,183	$ 6,986
Amortization	$ 1,698	$ 1,257	$ 1,577	$ 5,736	$ 2,898	$ 2,544	$ 6,173	$ 9,537

15. Related Parties

These financial statements include transactions with related parties. The Authority is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Authority is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms.

In addition, the Authority pays Saskatchewan Provincial Sales tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The Authority collected the following amounts for the Department of Finance:

	2000 (000's)	1999 (000's)
Container deposits on all wine, coolers, spirits and imported beer products	$ 4,349	$ 4,319
Liquor Consumption Tax	12,164	10,161
Container deposits on domestic beer sales	18,421	17,758

The costs to collect these amounts on behalf of the Department of Finance are borne by the Authority.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

16. Western Canada Lottery Corporation

The Saskatchewan Video Lottery Division of the Western Canada Lottery Corporation (WCLC) managed the video lottery terminals and central computer system on behalf of the Authority throughout the year. WCLC provided accounting, purchasing, cash disbursements, human resources, and technical services for the VLT program. WCLC also manages the slot machines and related computer system at the Saskatchewan Indian Gaming Authority casinos for the Authority (Note 13).

17. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

18. Subsequent events

On June 20, 2000, the Authority announced the formation of a team to perform an investigation of financial management controls at SIGA. The mandate of the team was to investigate how SIGA used public money and SIGA's rules and procedures to safeguard and control public money.

The investigators found SIGA's governance and financial management practices were unacceptable resulting in improper use of public money. Specifically, the investigators found improper use of corporate debit and credit cards by the CEO, inadequate or no support for many payments, unauthorized salary advances, unreasonable travel and accommodation expenses, related party contracts in excess of fair market values, and contracts of indeterminable or questionable value.

In March 2001, the Authority determined SIGA's expenses totalling $2.3 million for the period from November 1997 to June 2000 were not reasonable. The Authority determined SIGA's unreasonable expenses totalled $2.1 million for the period from November 1997 to March 31, 2000 and $0.2 million for the period from April 1, 2000 to June 24, 2000. On March 12, 2001, the Authority informed SIGA about the Authority's final calculations of SIGA's unreasonable expenses. The unreasonable expenses resulted in lower net profit for the above periods.

In accordance with *The Saskatchewan Gaming Corporation Act* and the 1995 Framework Agreement, the net profits of SIGA are shared between the GRF, AEF, FNF, and CDCs (see note 13). Had SIGA not incurred the unreasonable expenses higher net profits would have been available to the GRF, AEF, FNF, and CDCs. The GRFs, AEFs, and CDCs share of the higher net profits would have been $1.36M. Under an Agreement dated December 1, 1995, between the Government and the FSIN, the FNF is responsible for any money that is rightfully due from SIGA. Accordingly, FNF owes the Government's GRF a total of $1.36 million for unreasonable expenses of SIGA.

The Government plans to recover $1.36 million from the future payments out of the GRF to FNF. Accordingly, the Authority has not recorded the recovery from FNF in these financial statements.

Schedule 1

LIQUOR AND GAMING AUTHORITY
SCHEDULE OF OPERATING EXPENSES
For the Year Ended March 31

	2000 (000's)	1999 (000's)
Salaries, wages and fringe benefits	$ 25,738	$ 24,576
Capital asset amortization	6,173	9,537
Professional and contractual services	5,559	3,356
Rent, utilities and insurance	3,954	3,784
Grants	2,719	2,836
Travel and business	1,164	1,044
Stationery and supplies	1,137	1,190
Information technology	1,112	1,416
Communications	969	581
Operations and maintenance	692	1,592
Debit/credit charges	516	440
Service charges and interest	322	326
Customer service programs	248	169
Stock dispositions	169	120
Honoraria and related expenses	124	139
Advertising and printing	90	91
Sundry	67	117
	$ 50,753	$ 51,314

Schedule 2

LIQUOR AND GAMING AUTHORITY
SCHEDULE OF OTHER INCOME
For the Year Ended March 31

	2000 (000's)	1999 (000's)
Interest (Note 3)	$ 4,805	$ 4,643
Slot machine capital recovery (Note 13)	3,223	3,138
License and other fees	1,201	1,473
Miscellaneous	564	691
Permits	471	479
Product displays	438	413
Mark-up collections at borders	83	100
	$ 10,785	$ 10,937

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Liquor and Gaming Authority as at March 31, 2001 and the statements of operations and retained earnings, and cash flows for the year then ended. The Authority's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
June 15, 2001

Statement 1

LIQUOR AND GAMING AUTHORITY
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001 (000's)	2000 (000's)
ASSETS		
Current assets:		
Cash	$ 1,765	$ 849
Due from General Revenue Fund (Note 3)	13,867	40,922
Deposits in General Revenue Fund (Note 4)	---	631,200
Accounts receivable (Note 7)	18,502	11,054
Prepaid expenses	1,813	2,149
Inventories (Note 5)	14,593	14,675
	50,540	700,849
Capital assets (Note 6)	31,818	32,040
Deferred goods and services tax (Note 8)	557	515
	$ 82,915	$ 733,404
LIABILITIES AND RETAINED EARNINGS		
Current liabilities:		
Accounts payable	$ 12,026	$ 11,766
Due to General Revenue Fund (Note 4)	46,012	---
Accrued pension liability (Note 9)	23,934	23,485
	81,972	35,251
Retained earnings (Statement 2)	943	698,153
	$ 82,915	$ 733,404

Commitments (Note 10)

(See accompanying notes to the financial statements)

Statement 2

LIQUOR AND GAMING AUTHORITY
STATEMENT OF OPERATIONS AND RETAINED EARNINGS
For the Year Ended March 31

	2001		2000
	Budget (000's) (Note 12)	Actual (000's) (Note 17)	Actual (000's)
Revenues:			
Liquor sales (Note 13)	$ 331,552	$ 336,347	$ 329,984
VLT	225,827	224,860	214,845
Slot machines at SIGA (Note 14)	55,210	64,208	65,557
Other income (Schedule 2)	9,158	7,405	7,781
	621,747	632,820	618,167
Direct expenses:			
Cost of liquor sales	170,418	176,161	170,959
VLT site commission	37,227	34,614	33,198
	207,645	210,775	204,157
Operating expenses (Schedule 1):			
VLT, Liquor, and Other Gaming	60,498	54,581	47,749
Goods and services tax (Note 8)	3,784	2,897	2,747
Slot machines at SIGA (Note 14)	37,150	43,338	50,088
SIGA table and ancillary operation losses (Note 15)	2,260	2,227	2,095
	103,692	103,043	102,679
Net income for the year	$ 310,410	319,002	311,331
Retained earnings, beginning of year		698,153	386,822
		1,017,155	698,153
Transfer to General Revenue Fund (Note 4)		1,016,212	---
Retained earnings, end of year - to Statement 1		$ 943	$ 698,153

(See accompanying notes to the financial statements)

Statement 3

LIQUOR AND GAMING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2001 (000's)	2000 (000's)
Cash flows from operating activities:		
Cash receipts from customers	$ 621,219	$ 613,987
Interest received	4,153	5,024
Cash paid to suppliers and employees	(289,755)	(283,028)
Goods and services tax paid (Note 8)	(15,487)	(13,363)
	320,130	322,620
Cash flows from investing activities:		
Purchase of capital assets	(7,269)	(12,183)
Cash flows from financing activities:		
Cash deposited in General Revenue Fund (Note 4)	(339,000)	(313,200)
Net (decrease) in cash	(26,139)	(2,763)
Cash, beginning of year	41,771	44,534
Cash, end of year	$ 15,632	$ 41,771

	2001 (000's)	2000 (000's)
Cash consists of:		
Cash	$ 1,765	$ 849
Due from General Revenue Fund	13,867	40,922
	$ 15,632	$ 41,771

(See accompanying notes to the financial statements)

LIQUOR AND GAMING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2001

1. Description of Business

The Liquor and Gaming Authority operates under the authority of *The Alcohol and Gaming Regulation Act*. The Authority's mandate is to support, develop and regulate the Saskatchewan liquor and gaming industries and to maximize public benefit through high quality services and products.

The Authority operates retail liquor stores and video lottery terminals. The Authority also owns and operates the slot machines at Saskatchewan Indian Gaming Authority's (SIGA) casinos. SIGA's slot machine revenue and expenses are included in these financial statements.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant policies which have been adopted are described below.

(a) Revenue

Liquor Sales

Sales are reflected in the accounts net of returns, container deposits, GST, Liquor Consumption Tax and discounts.

Licence Fees

Pursuant to *The Gaming Licensing Regulations*, the Authority charges an application fee for gaming licences. A fee based on net revenues generated is levied only on exhibition casino licensees.

Video Lottery Terminals (VLT)

Revenue is recorded net of prize payouts.

Slot Machines at SIGA

Revenue from casino slot machines at SIGA are recorded net of prizes paid out and accruals for anticipated amounts to be paid out for progressive jackpots.

(b) Inventories

Inventories of wine, coolers, spirits and beer are valued at the lower of cost and net realizable value.

(c) Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is calculated on a straight-line basis at rates designed to allocate the cost of the capital assets over their estimated useful lives. Rates are as follows:

Buildings	2.5% - 5% per annum
Equipment	15% - 33% per annum
VLTs & Slots	20% per annum

Leasehold improvements are amortized over the term of the lease.

(d) Pension Expense

Effective January 1, 2000, the Authority adopted prospectively the new accounting recommendations for employee future benefits. As a result of this change, the transitional obligation is being amortized over the estimated remaining service life of the members of the defined benefit plan. The cost of the pension benefits earned by employees who are members of the Authority's defined benefit plan, known as the Liquor Board Superannuation Plan, is determined using the projected benefit method prorated on service. The amount of the expense reflects management's best estimate of the plan's expected investment performance, salary escalation, mortality of members, terminations, the ages at which members will retire and ad hoc increases, based upon the Consumer Price Index, to be granted by the Lieutenant Governor in Council.

The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and the amount of expected benefit payments. Pension plan assets are valued at fair value (market value) for the purposes of calculating the expected return on plan assets. The net actuarial gain (loss) and plan amendments are amortized beginning in the year they arise over the expected average remaining service life of members of the defined benefit plan.

The Authority also has employees who are members of a defined contribution pension plan. Employee contributions are matched by the Authority and expensed in the period made.

(e) Grants

Grants are recognized when approved and eligibility criteria, if any, have been met.

3. Due from General Revenue Fund

Most of the Authority's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Earned interest is calculated and paid by the General Revenue Fund on a monthly basis into the Authority's bank accounts using the Government's thirty day borrowing rate and the Authority's daily bank balance. The Government's average thirty day borrowing rate for 2000/01 is 5.59% (1999/00 – 4.79%). The Government stopped paying interest on the Authority's bank accounts in January 2001.

4. Disposition of Retained Earnings

Section 175(5) of *The Alcohol and Gaming Regulation Act* (Act) allows the Authority to provide interest free advances to the Minister of Finance for deposits in the General Revenue Fund (GRF) until the Treasury Board determines the disposition of the Authority's retained earnings. Under section 175(1) of the Act, the Treasury Board may, at any time, direct that all or any portion of the Authority's retained earnings be transferred to the GRF. The Treasury Board has directed the Authority to transfer $1,016,212 (2000 - $0) to the GRF pursuant to section 175(1) of the Act. At March 31, amounts (due to)/deposits in GRF were determined as follows:

	2001 (000's)	2000 (000's)
Deposits in GRF at beginning of year	$ 631,200	$ 318,000
Deposits during the year pursuant to Section 175(5)	339,000	313,200
Transfer to General Revenue Fund pursuant to Section 175(1)	(1,016,212)	---
(Due to)/ Deposits in GRF at end of year	$ (46,012)	$ 631,200

5. Inventories

	2001 (000's)	2000 (000's)
Wines, coolers and spirits in stores	$ 6,989	$ 6,211
Wines, coolers and spirits in warehouse	6,990	7,708
Beer in stores	614	756
	$ 14,593	$ 14,675

6. Capital Assets

	2001			2000		
	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)
Sites	$ 2,321	$ ---	$ 2,321	$ 2,074	$ ---	$ 2,074
Buildings	21,457	9,939	11,518	20,290	9,524	10,766
VLTs	34,137	33,460	677	36,669	31,761	4,908
Slots (see Note 14)	10,998	8,492	2,506	10,652	7,165	3,487
Furniture & equipment	23,644	11,645	11,999	19,893	11,067	8,826
Leasehold improvements	5,998	3,201	2,797	5,181	3,202	1,979
	$ 98,555	$ 66,737	$ 31,818	$ 94,759	$ 62,719	$ 32,040

7. Accounts receivable

	2001 (000's)	2000 (000's)
SIGA slot machine receivable	$ 12,985	$ 6,113
VLT receivable	3,971	3,123
Other	1,546	1,818
	$ 18,502	$ 11,054

8. Goods and Services Tax

The Authority is on the prescribed list of lottery corporations pursuant to Section 188 of the Federal *Excise Tax Act*. In lieu of collecting GST on VLT and slot revenue at the retail level, the Authority calculates and remits GST according to a formula prescribed by Canada Customs and Revenue Agency.

The formula requires the Authority to pay 14% on the purchase of taxable goods and services related to gaming programs and 7% on VLT site contractor commissions. One-half of the GST paid on gaming program capital assets is set up as a deferred tax and is amortized on a straight-line basis over the useful life of those capital assets.

9. Pension Plan

The Authority sponsors a defined benefit plan and a defined contribution plan covering substantially all of its employees. The defined contribution plan is the Public Employees Pension Plan. During the year, the Authority paid to the defined contribution plan a total of $907,323 (2000 - $756,000) as matching contributions.

The Liquor Board Superannuation Commission administers the defined benefit plan, Liquor Board Superannuation Plan (Plan). This Plan has been closed to new members since in 1977.

Aon Consulting Inc performed the accounting valuation of the Plan as at December 31, 2000. The following significant assumptions were adopted in measuring the accrued benefit obligation:

	2001
Expected long term rate of return on plan assets	6.25%
Discount rate	6.25%
Salary increases	3.25%
Inflation	3.25%
Ad hoc increases to pensions as % of Consumer Price Index	50%
Expected Average Remaining Service Life	8.5 years

The accrued benefit obligation is based on a number of assumptions about future events including: discount rate, salary increases, inflation and ad hoc indexing. A 1% change in the following assumptions has the following impact on the accrued benefit obligation:

Assumption	impact (% of ending accrued benefit obligation)
Interest	11.0
Salary	1.5
Inflation	5.0

The Authority's pension expense is:

	2001 (000's)
Current service cost – defined benefit plan	$ 328
Current service cost –defined contribution plan	907
Interest cost	2,578
Expected return on pension plan assets	(861)
Amortization of net transitional obligation	535
Amortization of actuarial gains	(46)
Early retirement benefits	24
Net pension expense	$ 3,465

Information about the Authority's defined benefit plan is as follows:

Accrued benefit obligation	2001 (000's)
Accrued benefit obligation, beginning of year	$ 42,211
Current service cost – employer	328
Current service cost – employee	177
Interest cost	2,580
Benefits paid	(2,928)
Accrued benefit obligation, end of year	$ 42,368

Plan assets	2001 (000's)
Fair value of plan assets, beginning of year	$ 14,176
Actual return on plan assets	1,252
Employer contributions	1,969
Employee contributions	177
Benefits paid	(2,928)
Fair value of plan assets, end of year	$ 14,646
Funded status - Plan deficit	$ 27,722
Unamortized transitional obligation	(4,015)
Unamortized net actuarial gains	227
Accrued pension liability	$ 23,934

10. Lease Commitments

The Authority, as lessee, is committed under operating leases on leased premises with future minimum payments due as follows:

Year Ending March 31	2001 (000's)	2000 (000's)
2001	$ ---	$ 2,673
2002	2,571	2,192
2003	2,104	1,722
2004	1,936	1,592
2005	1,764	1,375
2006	1,438	---
Subsequent years	5,641	3,274
Total	$ 15,454	$ 12,828

11. Fair Value

Cash, due from General Revenue Fund, due to General Revenue Fund, deposits in General Revenue Fund, accounts receivable and accounts payable are all short-term in nature and as such their carrying value approximates fair value. Fair value for accrued pension costs has not been included because it is not practicable to determine fair value for pension costs.

12. 2001 Budget

These amounts represent the budget approved by Treasury Board.

13. Liquor Sales

	2001 (000's)	2000 (000's)
Wine, coolers and spirits		
In stores:		
- To permittees	$ 32,312	$ 30,558
- To public	116,239	115,612
	148,551	146,170
To franchises:		
- To permittees	5,139	4,976
- To public	19,833	20,151
	24,972	25,127
	173,523	171,297
Beer		
- To permittees	116,023	113,910
- In stores	43,771	41,927
- To franchises	3,030	2,850
	162,824	158,687
Total	$ 336,347	$ 329,984

14. Casino Operating Agreement with the Saskatchewan Indian Gaming Authority

On February 10, 1995, the Government of Saskatchewan made an agreement (Framework Agreement) with the Federation of Saskatchewan Indian Nations (FSIN), for the purpose of increasing economic and employment opportunities for Aboriginal peoples through casino development within the parameters of *The Criminal Code of Canada.*

To implement the above agreement, the Authority and the Saskatchewan Indian Gaming Authority (SIGA) made agreements for casino operations and slot machine management. The casino operating agreement requires SIGA to pay the net profits from slot machines to the Authority. The slot machine management agreement ensures the Authority recovers at least the cost of slot machines, the related computer system, and interest over 5 years. The net profits from the SIGA operated casinos flow through the Authority to the Government's General Revenue Fund (GRF). The Government retains a portion of those net profits in the GRF and appropriates the remaining net profits to the First Nations Fund (FNF), the Associated Entities Fund (AEF), and Community Development Corporations (CDCs) in accordance with *The Saskatchewan Gaming Corporation Act* and the 1995 Framework Agreement as amended.

15. SIGA Table Games and Ancillary Operations

Under the Casino Operating Agreement between SIGA and the Authority, SIGA is permitted to allocate its losses from table games and ancillary operations as cost of operation of slot machines. During the year, SIGA allocated the following losses as cost of operation of slot machines:

	2001 (000's)	2000 (000's)
Table games revenues	$ 7,231	$ 6,775
Table games expenditures	7,870	7,266
Net losses from table games	$ 639	$ 491
Ancillary operations revenues	$ 2,732	$ 2,615
Ancillary operations expenditures	4,320	4,219
Net losses from ancillary operations	$ 1,588	$ 1,604
Total losses allocated	$ 2,227	$ 2,095

16. Recovery from First Nations Fund

On June 20, 2000, the Authority announced the formation of a team to perform an investigation of financial management controls at SIGA. The mandate of the team was to investigate how SIGA used public money and SIGA's rules and procedures to safeguard and control public money.

The investigators found SIGA's governance and financial management practices were unacceptable resulting in improper use of public money. Specifically, the investigators found improper use of corporate debit and credit cards by the CEO, inadequate or no support for many payments, unauthorized salary advances, unreasonable travel and accommodation expenses, related party contracts in excess of fair market values, and contracts of indeterminable or questionable value.

In March 2001, the Authority determined SIGA's expenses totalling $2.3 million for the period from November 1997 to June 2000 were not reasonable. The Authority determined SIGA's unreasonable expenses totalled $2.1 million for the period from November 1997 to March 31, 2000 and $0.2 million for the period from April 1, 2000 to June 24, 2000. On March 12, 2001, the Authority informed SIGA about the Authority's final calculations of SIGA's unreasonable expenses. The unreasonable expenses resulted in lower net profit for the above periods.

In accordance with *The Saskatchewan Gaming Corporation* Act and the 1995 Framework Agreement, the net profits of SIGA are shared between the GRF, AEF, and CDCs (see Note 14). Had SIGA not incurred the unreasonable expenses higher net profits would have been available to the GRF, AEF, FNF, and CDCs. The GRFs, AEFs, and CDCs share of the higher net profits would have been $1.36M. Under an Agreement dated December 1, 1995, between the Government and the FSIN, the FNF is responsible for any money that is rightfully due from SIGA. Accordingly, FNF owes the Government's GRF a total of $1.36 million for unreasonable expenses of SIGA.

The Government plans to recover $1.36 million from the future payments out of the GRF to FNF. Accordingly, the Authority has not recorded the recovery from FNF in these financial statements.

17. Segmented Information

The Authority operates in four segments - liquor, VLT, slots in SIGA casinos, and other gaming.

The liquor segment reflects the retailing and licensing of beverage alcohol activities within the province.

The VLT segment pertains to the operation of the VLT program under the authority of Section 207 of *The Criminal Code* and *The Alcohol and Gaming Regulation Act*.

The slots in SIGA casinos segment reflect the operations of slot machines in casinos run by the SIGA (see Note 14 and 15).

The Other Gaming segment reflects the licensing and support of charitable and religious organizations who conduct and manage bingos, casinos, raffles and breakopen ticket sales and the regulation and support of the horse racing industry.

The following table shows key amounts by segment.

	SEGMENTS					
	2001 (000'S)					2000 (000'S)
	LIQUOR	VLT	SLOTS IN SIGA CASINOS	OTHER GAMING	TOTAL	TOTAL
Revenues	$ 336,347	$ 224,860	$ 64,208		$ 625,415	$ 610,386
Other Income	3,644	2,324	—	$ 1,437	7,405	7,781
Total Revenues	339,991	227,184	64,208	1,437	632,820	618,167
Direct Expenses	176,161	34,614	—	—	210,775	204,157
Operating expenses	36,501	9,580	45,565	8,500	100,146	99,932
Goods and services tax	—	2,703	—	194	2,897	2,747
Total Expenses	212,662	46,897	45,565	8,694	313,818	306,836
Net income	127,329	180,287	18,643	(7,257)	319,002	311,331
Retained earnings, beginning of year	435,853	243,842	—	18,458	698,153	386,822
Transfer to General Revenue Fund	563,182	424,129	17,700	11,201	1,016,212	—
Retained earnings, end of year	$ —	$ —	$ 943	$ —	$ 943	$ 698,153
Capital expenditure	$ 5,243	$ 148	$ 346	$ 1,532	$ 7,269	$ 12,183
Amortization	$ 2,112	$ 2,146	$ 1,513	$ 1,475	$ 7,246	$ 6,173

18. Related Parties

These financial statements include transactions with related parties. The Authority is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Authority is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms.

In addition, the Authority pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The Authority collected the following amounts for the Department of Finance:

	2001 (000's)	2000 (000's)
Container deposits on all wine, coolers, spirits and imported beer products	$ 4,590	$ 4,349
Liquor Consumption Tax	12,411	12,164
Container deposits on domestic beer sales	18,435	18,421

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

19. Western Canada Lottery Corporation

The Saskatchewan Video Lottery Division of Western Canada Lottery Corporation (WCLC) managed the video lottery terminals and central computer system on behalf of the Authority throughout the year. WCLC provided accounting, purchasing, cash disbursements, human resources, and technical services for the VLT program. WCLC also manages the slot machines and related computer system at the Saskatchewan Indian Gaming Authority casinos for the Authority (Note 14).

20. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Schedule 1

LIQUOR AND GAMING AUTHORITY
SCHEDULE OF OPERATING EXPENSES
For the Year Ended March 31

	2001		
	VLT, Liquor & Other Gaming (000's)	Slots in SIGA Casinos* (000's)	Total (000's)
Salaries, wages and fringe benefits	$ 28,444	$ 18,515	$ 46,959
Capital asset amortization	5,733	1,513	7,246
Professional and contractual services	4,704	2,253	6,957
Rent, utilities and insurance	4,368	4,931	9,299
Goods and services tax	2,897	1,952	4,849
Grants	2,701	725	3,426
Operations and maintenance	2,238	309	2,547
Travel and business	1,293	854	2,147
Information technology	1,285	—	1,285
Stationery and supplies	1,235	1,523	2,758
Communications	1,092	428	1,520
Debit/credit charges	554	—	554
Service charges and interest	336	71	407
Customer service programs	205	—	205
Sundry	119	383	502
Honoraria and related expenses	117	282	399
Stock dispositions	84	—	84
Advertising, printing, and promotion	73	9,599	9,672
SIGA table and ancillary operation losses	—	2,227	2,227
	$ 57,478	$ 45,565	$ 103,043

Comparative figures were not readily available for Slots in SIGA Casinos. Information below provides operating expenses for VLT, Liquor, and Other Gaming only with comparative figures for 2000.

*Represents operating costs of SIGA Casinos.

	2001	2000
	VLT, Liquor & Other Gaming (000's)	VLT, Liquor & Other Gaming (000's)
Salaries, wages and fringe benefits	$ 28,444	$ 25,738
Capital asset amortization	5,733	3,169
Professional and contractual services	4,704	4,606
Rent, utilities and insurance	4,368	3,954
Grants	2,701	2,719
Operations and maintenance	2,238	1,460
Travel and business	1,293	1,164
Information technology	1,285	1,112
Stationery and supplies	1,235	1,322
Communications	1,092	969
Debit/credit charges	554	516
Service charges and interest	336	322
Customer service programs	205	248
Sundry	119	67
Honoraria and related expenses	117	124
Stock dispositions	84	169
Advertising and printing	73	90
	54,581	47,749
Goods and services tax	2,897	2,747
Total	$ 57,478	$ 50,496

Schedule 2

LIQUOR AND GAMING AUTHORITY
SCHEDULE OF OTHER INCOME
For the Year Ended March 31

	2001 (000's)	2000 (000's)
Interest (Note 3)	$ 4,153	$ 5,024
License and other fees	1,384	1,201
Miscellaneous	834	564
Product displays	498	438
Permits	472	471
Mark-up collections at borders	64	83
	$ 7,405	$ 7,781

AUDITOR'S REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the statement of financial position of the Municipal Financing Corporation of Saskatchewan as at December 31, 2000 and the statements of loss and reinvested earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

EJC Dudley + Co

Regina, Canada
January 26, 2001

E. J. C. Dudley & Co.
Chartered Accountants

MUNICIPAL FINANCING CORPORATION OF SASKATCHEWAN

STATEMENT OF FINANCIAL POSITION

As at December 31

	2000	1999
	(thousands of dollars)	
ASSETS		
Current Assets		
Cash and short term investments	$ 46,128	$ 76,201
Interest receivable	2,396	1,812
Municipal debentures receivable within one year	1,979	6,639
	50,503	84,652
Investments in municipal debentures (Note 3)	27,141	26,824
	$ 77,644	$ 111,476
LIABILITIES AND PROVINCE'S EQUITY		
Current Liabilities		
Interest payable and accrued liabilities	$ 2,230	$ 3,023
Debentures payable within one year	28,210	28,916
	30,440	31,939
Long term debentures payable (Note 5)	33,865	62,075
Province of Saskatchewan's Equity		
Reinvested earnings	13,339	17,462
	$ 77,644	$ 111,476

(See accompanying notes)

MUNICIPAL FINANCING CORPORATION OF SASKATCHEWAN

STATEMENT OF LOSS AND REINVESTED EARNINGS

For the Year Ended December 31

	2000	1999
	(thousands of dollars)	
Revenue		
Investment income - municipal debentures	$ 2,807	$ 3,667
Investment income - short term investments and cash balances	3,261	3,496
	6,068	7,163
Expenses		
Interest on long term debt	10,165	8,495
Administration	26	50
	10,191	8,545
Net (loss)	(4,123)	(1,382)
Reinvested earnings, beginning of year	17,462	28,117
Premium on exchange of long term debentures payable (Note 4)	-	(9,273)
Reinvested earnings, end of year	$ 13,339	$ 17,462

(See accompanying notes)

MUNICIPAL FINANCING CORPORATION OF SASKATCHEWAN

STATEMENT OF CASH FLOWS

For the Year Ended December 31

	2000	1999
	(thousands of dollars)	
Operating Activities		
Net (loss)	$ (4,123)	$ (1,382)
Net change in non-cash working capital balances related to operations:		
Decrease (increase) in interest receivable	(584)	198
(Decrease) increase in interest payable and accrued liabilities	(793)	20
Cash (used in) operating activities	(5,500)	(1,164)
Investing Activities		
Purchase of municipal debentures	(2,303)	(1,890)
Amortization of discounts and premiums	(3)	(3)
Proceeds from maturing municipal debentures	6,649	9,782
Cash provided by investing activities	4,343	7,889
Financing Activities		
Repayment of long term debt	(28,916)	(1,000)
Cash (used in) financing activities	(28,916)	(1,000)
Net (decrease) increase in cash during the year	(30,073)	5,725
Cash and short term investments, beginning of year	76,201	70,476
Cash and short term investments, end of year	$ 46,128	$ 76,201

(See accompanying notes)

MUNICIPAL FINANCING CORPORATION OF SASKATCHEWAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2000

1. Significant Accounting Policies

The Corporation's accounting policies are in accordance with generally accepted accounting principles. The following are considered to be significant:

Short term Investments

Short term investments are carried at cost.

Investments in Municipal Debentures

Investments in municipal debentures are carried at amortized cost. The Corporation often purchases debentures at a premium or discount where the interest rate yield required by the Corporation varies from the coupon interest rate offered by the local governments. Premiums and discounts in excess of $250 on the investment's purchase date are amortized to income using the straight-line method over the life of the investment. In this way, effective income derived from each debenture is adjusted to equal the Corporation's required yield for that debenture to its maturity.

Market Value of Short term Financial Instruments

For certain of the Corporation's financial instruments, the carrying amounts approximate fair value due to the immediate or short term maturity of these financial instruments. These short term financial instruments include cash and short term investments, interest receivable, municipal debentures receivable within one year, accounts payable and accrued liabilities, and debentures payable within one year.

2. Status of the Corporation

The Municipal Financing Corporation of Saskatchewan was established in 1969 pursuant to the provisions of **The Municipal Financing Corporation Act**. The Corporation's objective is to assist municipalities in financing their capital requirements.

The Corporation is a Provincial Crown corporation and is therefore not subject to Federal or Provincial income tax but is subject to Provincial corporation capital tax.

3. Investments in Municipal Debentures

The Corporation invests in fixed rate debentures issued by schools, hospitals, cities, towns, villages and rural municipalities throughout the Province of Saskatchewan. The Corporation's policy is to limit its purchase of debentures to no more than 50% of the total authorized borrowings of a capital project, except for water and sewer projects which can be up to 100% of the authorized borrowings. All issues of debentures purchased by the Corporation must be approved by the Saskatchewan Municipal Board.

MUNICIPAL FINANCING CORPORATION OF SASKATCHEWAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2000

3. Investments in Municipal Debentures (continued)

The Corporation has an investment in 59 (1999 - 77) debentures issued by 47 (1999 - 55) issuers with a weighted average yield of 8.50% (1999 - 9.15%) and maturity dates ranging from 2001 through 2019.

The carrying amount invested by issuer category is as follows:

	2000	1999
	(thousands of dollars)	
Cities	$ 19,359	$ 21,500
Hospitals	73	148
Schools	2,615	6,403
Towns	5,828	4,950
Villages	1,245	462
	29,120	33,463
Receivable within one year	1,979	6,639
	$ 27,141	$ 26,824

The fair value of these debentures as determined by an independent appraiser is $31,606 (1999 - $34,888). This fair value is determined by discounting the future contractual cash flows under current financial arrangements, which represent investment rates presently available to the Corporation for investments with similar terms and remaining maturity, less costs of settlement.

4. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan. Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year end are as follows:

	2000	1999
	(thousands of dollars)	
Interest on long term debt	$ 9,788	$ 7,998
Administration expense	20	20

Other amounts due to related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

MUNICIPAL FINANCING CORPORATION OF SASKATCHEWAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2000

4. Related Party Transactions (continued)

On December 31, 1999, the Corporation exchanged long term debentures payable with the General Revenue Fund, a related party by virtue of common control. The Corporation transferred debentures payable having a face value of $79,667,000 with accrued interest payable of $1,527,000 and a fair value of $100,787,000 in exchange for debentures payable having a face value of $87,491,000 with accrued interest payable of $2,973,000 and a fair value of $100,784,000. The difference in fair value of $3,000 was paid in cash by the Corporation early in 2000.

The net difference between face value, including accrued interest payable, and fair value of the debentures exchanged has been charged to reinvested earnings. Fair value was determined by discounting the future contractual cash flows at borrowing rates presently available to the Corporation, less costs of settlement.

5. Long term Debentures Payable

Maturity Date	Rate (%)	2000	1999
		(thousands of dollars)	
Saskatchewan Telecommunication Superannuation Fund			
June 17, 2000	12.000	-	500
Province of Saskatchewan - Municipal Employees Superannuation Fund			
June 17, 2000	12.000	-	500
Roytor & Co.			
December 15, 2002	12.875	2,500	2,500
Province of Saskatchewan			
April 3, 2000*	13.390	-	10,336
May 2, 2000*	13.460	-	11,814
October 1, 2000*	12.500	-	5,766
April 1, 2001*	13.660	6,175	6,175
May 1, 2001*	13.690	13,971	13,971
August 4, 2001*	15.310	8,064	8,064
February 1, 2002*	15.500	5,219	5,219
March 1, 2002*	16.100	1,571	1,571
April 1, 2002*	15.120	5,000	5,000
October 1, 2002*	14.160	4,500	4,500
March 1, 2003*	12.160	5,684	5,684
November 9, 2004*	12.960	9,391	9,391
		62,075	90,991
Repayment required within one year		28,210	28,916
Long term debentures payable		$ 33,865	$ 62,075

* Certain issues owing to the Province of Saskatchewan in the amount of $59.575 million (1999 - $87.491 million) are subject to redemption by the Province on six months notice.

MUNICIPAL FINANCING CORPORATION OF SASKATCHEWAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2000

5. Long term Debentures Payable (continued)

Principal payments due on long term debt for the next five years are as follows (in thousands of dollars):

2001 - $ 28,210
2002 - $ 18,790
2003 - $ 5,684
2004 - $ 9,391
2005 - $ 0

The fair value of long term debentures payable, before the repayment required within one year, is $68.4 million (1999 - $101.8 million) and is determined by discounting the future contractual cash flows under current financial arrangements, which represent borrowing rates presently available to the Corporation for debt with similar terms and remaining maturity, less costs of settlement.

6. Interest Rate Risk

The Corporation is exposed to interest rate risk due to the nature of its operations. Interest rate risk is created when the maturity dates of an entity's assets and liabilities are not precisely matched. The following table shows the matching of the Corporation's assets and liabilities:

Year of Maturity	Financial Assets	Financial Liabilities	Difference 2000	Difference 1999
		(thousands of dollars)		
2000	$ –	$ –	$ –	$ 52,713
2001	50,503	30,440	20,063	(26,407)
2002	4,471	18,790	(14,319)	(14,510)
2003	2,971	5,684	(2,713)	(2,917)
2004	1,252	9,391	(8,139)	(8,358)
2005	1,823	–	1,823	–
Thereafter	16,624	–	16,624	16,941
	$ 77,644	$ 64,305	$ 13,339	$ 17,462

The effective interest rates on the Corporation's assets and liabilities are as follows:

Cash and short term investments	6.07%
Investments in municipal debentures	8.50%
Debentures payable	13.98%

7. Commitments

Prior to December 31, 2000, the Corporation had approved the purchase of debentures from certain local governments of which $968.5 thousand were not purchased before year end.

MUNICIPAL FINANCING CORPORATION OF SASKATCHEWAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2000

8. Operations Budget

	Budget 2000 ($ 000's)
Revenue	
Investment income - municipal debentures	$ 2,773
Investment income – short term investments and cash balances	3,136
	5,909
Expenses	
Interest on long term debt	10,162
Administration	24
	10,186
Net loss	$ (4,277)

AUDITOR'S REPORT

To the Members of the Legislative Assembly,
Province of Saskatchewan
Regina, Saskatchewan

We have audited the balance sheet of **Saskatchewan Communications Network Corporation** as at 31 March 2001, and the statements of revenue, expenses and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2001, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

& Company.
Chartered Accountants

09 May 2001
Regina, Saskatchewan

SASKATCHEWAN COMMUNICATIONS NETWORK CORPORATION

BALANCE SHEET
AS AT MARCH 31, 2001

	2001 $	2000 $
ASSETS		
Current Assets		
Cash and cash equivalents	1,225,016	1,579,755
Accounts receivable and accrued interest	164,426	98,195
Inventory and prepaid expenses	97,277	132,977
	1,486,719	1,810,927
Capital Assets (note 3)	604,472	806,236
	2,091,191	2,617,163
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	531,563	711,353
Funds under administration (**note 4**)	128,835	92,200
Unearned revenue	15,000	210,378
	675,398	1,013,931
EQUITY		
Equity in capital assets (**note 5**)	604,472	806,236
Appropriated retained earnings - captial reserve (**note 6**)	200,000	250,000
Unappropriated retained earnings	611,321	546,996
	1,415,793	1,603,232
	2,091,191	2,617,163

Commitments (**note 7**)

SIGNED ON BEHALF OF THE BOARD

______________________, Director

______________________, Director

see accompanying Notes to the Financial Statements

SASKATCHEWAN COMMUNICATIONS NETWORK CORPORATION

STATEMENT OF REVENUE, EXPENSES AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2001

	2001 $	2000 $
REVENUE		
Grant from the Government of Saskatchewan		
-General Revenue Fund	7,557,000	7,308,000
-Department of Education Grant	15,000	15,000
Interest	94,355	106,329
Satellite conferencing and channel rentals	82,384	75,029
Project administration	8,950	13,695
Miscellaneous	26,398	42,160
Transponder lease	177,779	533,333
	7,961,866	8,093,546
EXPENSES **(note 12)**		
Administration **(note 11)**	854,324	801,661
Program support	484,745	548,064
Program development and production costs	784,241	733,737
Program acquisition costs	1,906,358	2,104,817
Network distribution **(note 11)**	4,119,637	3,944,668
	8,149,305	8,132,947
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES FOR THE YEAR	(187,439)	(39,401)
UNAPPROPRIATED RETAINED EARNINGS - BEGINNING OF YEAR	546,996	553,549
Allocation (to)/from equity in capital assets **(note 5)**	201,764	132,848
Appropriation (to)/from capital reserve **(note 6)**	50,000	
		(100,000)
UNAPPROPRIATED RETAINED EARNINGS - END OF YEAR	611,321	546,996

see accompanying Notes to the Financial Statements

SASKATCHEWAN COMMUNICATIONS NETWORK CORPORATION

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2001

	2001 $	2000 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants received	7,557,000	7,353,000
Interest received	94,486	107,744
Fees received for goods and services	48,771	263,986
Net cash receipts (payments) for funds under administration	36,637	18,137
Cash payments to suppliers and employees	(7,653,985)	(8,390,536)
Cash flows from operating activities	82,909	(647,669)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash payments for purchase of capital assets	(437,648)	(280,693)
Increase (decrease) in cash and cash equivalents	(354,739)	(928,362)
CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	1,579,755	2,508,117
CASH AND CASH EQUIVALENTS – END OF YEAR	1,225,016	1,579,755

	2001 $	2000 $
Cash and cash equivalents consist of:		
Short-term investments	495,339	992,583
Bank balances	729,677	587,172
CASH AND CASH EQUIVALENTS – END OF YEAR	1,225,016	1,579,755

see accompanying Notes to the Financial Statements

SASKATCHEWAN COMMUNICATIONS NETWORK CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2001

1. STATUS OF CORPORATION

Saskatchewan Communications Advanced Network Authority (SCAN) was established by an order-in-council January 11, 1989 under the Crown Corporations Act, 1978. SCAN was continued as Saskatchewan Communications Network Corporation (SCN) under the Communications Network Corporation Act, 1990.

The Corporation provides cost effective approaches for the delivery of information to Saskatchewan residents. Most notably, SCN operates a training network, which electronically links communities throughout Saskatchewan, and a broadcast network, which began broadcasting on May 6, 1991 under licence from the Canadian Radio-television and Telecommunications Commission (CRTC). The current licence expires on August 31, 2006.

2. SIGNIFICANT ACCOUNTING POLICIES

a) *Inventory*

Inventory, consisting of blank video tapes, is recorded at the lower of cost, determined on a first-in, first-out basis, and net realizable value. Inventory, consisting of receivers, is recorded at the lower of cost, determined on a weighted average basis, and net realizable value.

b) *Capital assets*

Capital assets are recorded at cost less accumulated depreciation. Depreciation is calculated as follows:

Office equipment and furniture	Declining Balance	30%
Uplink development	Declining Balance	30%
Computer hardware	Declining Balance	40%
TVs, VCRs, satellite dish and video equipment receivers	Declining Balance	40%
Fax machines and audio conferencing units	Declining Balance	50%
Computer software	Declining Balance	60%
Network alignment	Straight Line	3 years
Data transmission equipment	Straight Line	3 years
Network configuration	Straight Line	5 years
Digital video compression equipment	Straight Line	7 years

c) *Transponder lease*

The Corporation entered into a three-year sub-lease of transponder satellite space, which expired August 31, 2000. The lessee had assumed payment direct to the satellite space provider and provided the Corporation with a premium on the sub-lease which was recorded as revenue for the period in which it was earned. All costs associated with providing the sub-lease were capitalized as network alignment costs and amortized over the term of the lease.

d) *Revenue recognition*

Government contributions are recognized as revenue in the fiscal year in which the related expenses are incurred.

Other revenues are recognized when the related service is provided.

e) *Program acquisition and production*

Program acquisition and production costs are expensed as incurred.

SASKATCHEWAN COMMUNICATIONS NETWORK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2001

3. CAPITAL ASSETS

The components of the capital assets as well as the related accumulated depreciation are:

	2001			2000
	Cost $	Accumulated Depreciation $	Net Book Value $	Net Book Value $
Office equipment and furniture	179,190	154,849	24,341	24,379
Uplink development and network configuration	709,100	423,240	285,860	35,124
Computer hardware	355,751	309,825	45,926	44,147
TVs, VCRs, cameras, satellite dishes and receivers	509,915	480,599	29,316	48,860
Fax machines and conferencing units	73,731	54,100	19,631	29,710
Computer software	162,189	153,469	8,720	10,944
Digital video compression equipment*	1,307,448	1,156,663	150,785	520,155
Network alignment	118,184	118,184	—	13,132
Data transmission equipment	119,678	79,785	39,893	79,785
	3,535,186	2,930,714	604,472	806,236

*The equipment acquired did not meet the initial specifications as outlined in the purchase agreement, resulting in a reduction in the value of the original asset.

4. FUNDS UNDER ADMINISTRATION

The Corporation administers funds on behalf of related parties, in accordance with the terms of contracts between the Corporation and the related parties.

5. EQUITY IN CAPITAL ASSETS

	2001 $	2000 $
Balance - beginning of year	806,236	939,084
Allocation (to)/from retained earnings	(201,764)	(132,848)
Balance - end of year	604,472	806,236

SASKATCHEWAN COMMUNICATIONS NETWORK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2001

6. CAPITAL RESERVE

The Board of Directors has approved the transfer of $250,000 from the capital reserve account to acquire and upgrade technical equipment necessary for signal transportation and uplink. The Board of Directors has also approved the appropriation of $200,000 of retained earnings. This new appropriation has been established to provide for the replacement and upgrading of satellite receivers and other technical equipment. Amounts may be transferred from the reserve on the authority of the Board of Directors.

	2001 $	2000 $
Balance - beginning of year	250,000	150,000
Allocation (to)/from retained earnings	(50,000)	100,000
Balance - end of year	200,000	250,000

7. COMMITMENTS

a) *Productions*

At March 31, 2001 the Corporation had commitments totaling $44,937 (2000 - $50,750) representing the estimated costs to complete productions in progress.

b) *Broadcast and duplication rights*

At March 31, 2001 the Corporation had commitments totaling $1,350,058 (2000 - $1,343,551) for the acquisition of broadcast and duplication rights.

c) *Full-time satellite transponder*

The Corporation has a contract for a full-time KuBand satellite transponder. The contract cost for 2001-2002 is $1,466,033 (2000-01 $1,466,033). The contract extends to December 31, 2002.

d) *Head end contract*

The Corporation has a contract with the University of Saskatchewan, a related party, for the operation of SCN's master control, tape duplication, packaging and promotional productions. The contract extends to April 24, 2001 with commitments of $36,469 to contract completion. A new five year contract will begin April 25, 2001with an annual commitment of $628,193 plus a yearly increase for inflation.

e) *Backhaul contract*

The Corporation has a contract with SaskTel, a related party, for a one-year period ending August 31, 2001 for signal transportation services with a commitment of $48,622 to contract completion.

f) *Site Licence to operate a telecommunication facility*

The Corporation has a contract with the Canadian Broadcast Corporation (CBC) for a site licence to uplink the SCN signal. The contract cost for 2001-2002 is $48,000 The contract extends to August 31, 2005.

SASKATCHEWAN COMMUNICATIONS NETWORK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2001

8. RELATED PARTY TRANSACTIONS

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related since all are controlled by the government.

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown-controlled departments, agencies and corporations with which SCN is related. The more significant of these are Saskatchewan Post-Secondary Education and Skills Training, SaskTel, the universities, SIAST, and the regional colleges. Account balances resulting from these transactions are included in the balance sheet and are settled on normal trade terms.

The following table summarizes SCN's major related party transactions that are in the normal course of operations. These transactions are recorded at exchange amounts agreed to by the related parties.

	2001 $	2000 $
Revenues		
- Saskatchewan Health for satellite conferences	16,101	14,819
- SIAST for studio use	0	7,914
Expenses		
Administration		
- SPMC for accommodation expense	96,362	94,130
- Sask Tel for telephone operating costs	27,303	26,339
Program development - Universities, SIAST	659,125	660,170
Network distribution		
- Regional Colleges/SIAST for operation of Training Network sites	874,500	874,500
- SaskTel equipment purchases	42,125	—
- SaskTel for video and audio signal transport services, and telephone operating costs	206,614	185,355
Accounts Receivable at March 31, 2001		
SaskTel for channel rent and data transmission trial	39,503	42,193
Legislative Assembly for purchase of receivers	37,694	12,719
Accounts Payable at March 31, 2001		
SaskTel for backhaul, uplink, multiplex and telephone charges	81,227	113,109

Other transactions with related parties, including their terms of settlement, are described separately in the financial statements and notes therein.

9. FINANCIAL INSTRUMENTS

The Corporation's recognized financial instruments consist of accounts receivable, accounts payable and funds under administration. The Corporation does not have any financial assets or financial liabilities which are not recognized in the financial statements.

a) Fair values

The fair values of the above noted financial instruments approximate their carrying value due to the short-term nature of these instruments.

SASKATCHEWAN COMMUNICATIONS NETWORK CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2001

b) Credit risk

The Corporation is exposed to credit risk from the potential default of customers. However, the majority of the Corporation's receivables are from related parties, other government corporations and agencies. Therefore the credit risk is minimal.

10. COMPARATIVE FINANCIAL INFORMATION

For comparative purposes, certain 2000 balances have been re-classified to conform with the 2001 financial statement presentation.

11. COMPARISON OF PLANNED AND ACTUAL RESULTS OF EXPENSES

	2001		2000
Operating Expenses	*Budget* $	*Actual* $	*Actual* $
Administration	794,801	792,966	715,405
Program support	487,316	484,745	548,064
Program development and production costs	1,086,000	784,241	733,737
Program acquisition costs	1,533,939	1,906,358	2,104,817
Network distribution	3,759,895	3,759,213	3,617,384
Administration - depreciation	—	61,358	86,256
Network distribution - depreciation	—	360,424	327,284
Total	7,661,951	8,149,305	8,132,947

	2001		2000
Capital Expenditures	*Budget* $	*Actual* $	*Actual* $
Administration	54,129	50,649	69,351
Network distribution -purchase	362,613	386,999	211,342
-asset re-valuation		(197,434)	—
Total	416,742	240,214	280,693

12. CLASSIFICATION OF EXPENSES BY OBJECT

	2001 $	2000 $
Salaries (including benefits)	1,397,309	1,260,719
Communications	199,510	175,411
Administration - Operations	410,802	437,994
Programming - General	1,342,561	1,491,366
Programming - Educational	904,880	916,843
Other production and acquisition costs	443,158	430,346
Carriage	2,133,066	2,139,268
Regional college operational grants	874,500	874,500
Network operations	443,519	406,500
Total	8,149,305	8,132,947

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the consolidated statement of financial position of the Saskatchewan Gaming Corporation as at March 31, 2001 and the consolidated statements of operations and retained earnings, and cash flows for the year then ended. The Saskatchewan Gaming Corporation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Saskatchewan Gaming Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
April 25, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

STATEMENT 1

SASKATCHEWAN GAMING CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

Assets

	2001	2000
Current assets:		
Cash and short-term investments	$ 14,668,772	$ 17,252,327
Accounts receivable	318,678	72,218
Inventory	155,164	164,546
Prepaid expenses	473,898	455,257
	15,616,512	17,944,348
Deferred charges (Note 3)	—	376,104
Capital assets (Note 4)	32,026,079	29,269,230
Total assets	$ 47,642,591	$ 47,589,682

Liabilities and Retained Earnings

	2001	2000
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,840,047	$ 3,714,345
Current portion of long-term debt (Note 5)	1,285,286	3,965,256
	6,125,333	7,679,601
Due to General Revenue Fund (Note 1)	22,709,087	19,816,624
Long-term debt (Note 5)	18,808,171	20,093,457
Retained earnings (Statement 2)	—	—
Total liabilities and retained earnings	$ 47,642,591	$ 47,589,682

Commitments (Note 6)

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN GAMING CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31

	Budget 2001	Actual 2001	2000
Revenue:			
Slot machines	$ 47,249,000	$ 50,231,167	$ 42,683,917
Table games	9,362,000	8,452,763	9,258,318
Other revenue (Note 8)	4,689,000	4,657,944	4,138,161
	61,300,000	63,341,874	56,080,396
Less promotional allowances	2,120,000	2,361,525	1,602,981
	59,180,000	60,980,349	54,477,415
Expenses (Note 9):			
Casino and administration	21,877,700	22,302,522	18,974,254
Contractual obligations (Note 6 a)	2,600,000	2,600,000	2,600,000
Ancillary services (Note 8)	2,839,100	2,883,049	2,740,960
	27,316,800	27,785,571	24,315,214
Earnings before the following	31,863,200	33,194,778	30,162,201
Amortization and asset write-down	4,573,900	4,053,117	3,800,165
Interest	2,210,000	2,029,187	2,346,979
Taxes (Note 10)	2,204,000	3,059,206	2,735,455
Consulting (Note 7)	1,332,500	1,344,181	1,462,978
	10,320,400	10,485,691	10,345,577
Net income	21,542,800	22,709,087	19,816,624
Retained earnings, beginning of the year	---	---	---
Due to General Revenue Fund (Note 1)	21,542,800	22,709,087	19,816,624
Retained earnings, end of the year - to Statement 1	$ ---	$ ---	$ ---

(See accompanying notes to the financial statements)

STATEMENT 3

SASKATCHEWAN GAMING CORPORATION
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED MARCH 31

	2001	2000
Cashflow from operating activities:		
Net income	$ 22,709,087	$ 19,816,624
Items not involving cash:		
Amortization of capital assets	4,120,909	3,746,850
Amortization of deferred charges (Note 3)	376,104	451,326
Write-down of assets	(67,792)	53,315
Changes in non-cash working capital balances:		
Accounts receivable	(246,460)	(22,482)
Prepaid expenses	(18,641)	(27,761)
Inventories	9,382	21,049
Accounts payable and accrued liabilities	1,125,702	1,065,218
	28,008,291	25,104,139
Cashflow from investing activities:		
Proceeds from sale of capital assets	217,758	10,847
Additions to capital assets	(7,027,724)	(2,057,899)
	(6,809,966)	(2,047,052)
Cashflow from financing activities:		
Payment to General Revenue Fund	(19,816,624)	(15,450,698)
Repayment of debt	(3,965,256)	(3,651,613)
	(23,781,880)	(19,102,311)
Net (decrease) increase in cash	(2,583,555)	3,954,776
Cash and short-term investments, beginning of year	17,252,327	13,297,551
Cash and short-term investments, end of year	$ 14,668,772	$ 17,252,327

(See accompanying notes to the financial statements)

SASKATCHEWAN GAMING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Description of Business

The Saskatchewan Gaming Corporation (SGC) manages and operates Casino Regina. The SGC was established as a Treasury Board Crown Corporation under *The Saskatchewan Gaming Corporation Act, 1994* (Act). Under Section 13 of the Act, SGC, unless directed otherwise by Treasury Board, shall pay its net profits for each fiscal year to the General Revenue Fund.

SGC was established to provide for separation of regulatory and operational aspects of gaming. SGC must operate in accordance with statutory provisions established under Section 207 of the *Criminal Code of Canada* and *The Alcohol and Gaming Regulation Act, 1993*. Regulation of its operations is controlled by the separately constituted Saskatchewan Liquor and Gaming Authority.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles. The significant policies which have been adopted are described below.

a) Basis of Consolidation

The consolidated financial statements combine the accounts of Saskatchewan Gaming Corporation and its wholly-owned subsidiary, SGC Holdings Inc.

b) Revenue

Gaming revenue represents the net win from gaming activities, which is the difference between the amounts wagered and pay-outs by the casino. The retail value of goods and services furnished to casino guests without charge is included in revenue and then deducted as promotional allowances.

c) Inventory

Inventory is stated at the lower of cost and net realizable value.

d) Capital Assets

Capital assets are stated at cost less accumulated amortization. Assets are amortized using the straight-line method over their useful lives as follows:

Building and renovations	Five to forty years
Gaming equipment	Three to five years
Computer equipment	Three to five years
Furniture and equipment	Three to five years

e) Cash and Short-term Investments

Cash and short-term investments consist of cash on hand and balances with banks and investments in a money market fund. Short-term investments are carried at cost, which approximates market value.

3. Deferred Charges

In 1995, SGC purchased a five-year non-exclusive licence to use Holland Casinos' "know-how" and proprietary software. The total cost of this license is being amortized to consulting expense over a five-year period ending January 25, 2001. Amortization of deferred charges during the year amounted to $376,104 (2000 - $451,325).

4. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
Building and renovations	$27,353,091	$ 3,445,563	$23,907,528	$20,317,048
Gaming equipment	11,160,421	9,198,997	1,961,424	3,232,277
Land	4,228,000	—	4,228,000	4,228,000
Computer equipment	3,068,207	2,450,738	617,469	691,020
Furniture and equipment	3,118,333	1,806,675	1,311,658	800,885
Total	$48,928,052	$16,901,973	$32,026,079	$29,269,230

5. Long-Term Debt

	2001	2000
Land and Building Loan, repayable in monthly instalments of $256,715 including interest at 9.2%, due April 1, 2011	$ 20,093,457	$ 21,266,186
Gaming Equipment Loan, repayable in monthly instalments of $242,763 including interest at 7.88%, due April 1, 2001	—	2,792,527
	20,093,457	24,058,713
Less current portion	1,285,286	3,965,256
	$ 18,808,171	$ 20,093,457

The above loans are secured by assets and shares of SGC Holdings Inc. Principal repayments required in the next five years are as follows:

2002	1,285,286
2003	1,408,648
2004	1,543,851
2005	1,692,030
2006	1,854,431
2007 and subsequent	12,309,211
	$ 20,093,457

6. Commitments

a) Agreement with Regina Exhibition Association (Association)

On April 1, 1997, SGC entered into an agreement with the Association to fulfill previous commitments made to the Association regarding the maintenance of a certain level of its income.

The Association terminated the agreement effective November 23, 1997. Under the provisions of the agreement SGC agreed to pay the Association monthly payments of $235,417 for the first year following termination of the agreement and monthly payments of $216,667 in each year thereafter for 29 years.

b) Casino Regina Expansion

During the year, SGC approved expansion and renovation of Casino Regina including a new entertainment facility west of the casino, a parking structure, and pedway linkages with the nearby shopping centre and the adjacent hotel for a total estimated cost of $29 million. SGC negotiated cost share arrangements with the City of Regina, Regina Market Square, and the hotel for the proposed pedway linkages.

Recently, Saskatchewan Property Management Corporation, on behalf of SGC, made agreements with certain builders and architects to carry out the above construction during the next year. During the year, SGC completed part of this project for a cost of approximately $5 million.

Treasury Board has also approved the above expansion of Casino Regina. SGC plans to borrow money to fund the expansion project.

7. Holland Casinos

SGC had retained Holland Casinos to assist in the development and operation of Casino Regina. A five-year agreement was finalized in April 1995, to commence January 1996. Under the agreement, SGC paid to Holland Casinos an amount equal to 1.5% of gross gaming revenue, and 1.5% of net profits per operating year for five years, plus any salaries, travel, and living expenses incurred by Holland Casinos staff. The agreement with Holland Casinos expired January 25, 2001.

8. Other Revenue and Expenses

	2001					2000
	Food & Beverage	Parking	Giftshop	Other	Total	Total
Revenue:						
Sales	$3,751,123	$ 1,173,648	$ 402,648	$ —	$5,327,419	$ 5,018,932
Cost of goods sold	1,232,589	—	311,345	—	1,543,934	1,447,806
Gross profit	2,518,534	1,173,648	91,303	—	3,783,485	3,571,126
Interest	—	—	—	416,847	416,847	425,271
Rent and other	23,320	—	13,374	420,918	457,612	141,764
Total revenue	2,541,854	1,173,648	104,677	837,765	4,657,944	4,138,161
Expenses	2,390,751	427,521	64,777	—	2,883,049	2,740,960
Operating income	$151,103	$ 746,127	$ 39,900	$ 837,765	$1,774,895	$ 1,397,201

9. Expenses by Object

	2001	2000
Salaries and benefits	$ 15,248,207	$ 13,831,702
Amortization and asset write down	4,053,117	3,800,165
Marketing and communication	3,671,082	3,134,076
Taxes (Note 10)	3,059,206	2,735,455
Utilities, insurance, supplies and maintenance	2,798,602	2,634,486
Contractual Obligations (Note 6 a)	2,600,000	2,600,000
Interest	2,029,187	2,346,979
Consulting (Note 7)	1,344,181	1,462,978
Professional services	1,280,981	951,149
Uniforms, recruitment and training	1,062,272	529,480
Lease and rental	374,579	366,634
Other operating expenses	749,848	267,687
Total Expenses	$ 38,271,262	$ 34,660,791

10. Taxes

SGC is on the prescribed list of lottery corporations pursuant to Section 188 of *The Federal Excise Tax Act*. In lieu of collecting Goods and Services Tax (GST) on revenue at the retail level, SGC calculates and remits GST according to a formula prescribed by Canada Customs and Revenue Agency. The formula requires SGC to pay 14% on the purchase of goods and services related to the Casino operation.

GST and Provincial Sales Tax on equipment leased from SGC Holdings Inc. is expensed over the term of the lease. Also included in taxes is grants in lieu of property tax.

11. Pension Plan

Substantially all of SGC's permanent employees participate in the Capital Pension Plan (the Plan), a defined contribution pension plan which is administered by the Plan's Board of Directors, using staff and facilities provided by Crown Investments Corporation of Saskatchewan. SGC's financial obligation is limited to matching the required amounts contributed by employees for current service, which totalled $638,728 for 2001 (2000 - $580,502). The amount required to be contributed by employees is 5.5% of salary.

12. 2001 Budget

These amounts represent the budget approved by the Board of the Saskatchewan Gaming Corporation.

13. Related Party Transactions

These consolidated financial statements include transactions with related parties. SGC is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, SGC is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. These transactions are as follows:

Category	2001	2000
Salaries and benefits	$ 760,044	$ 679,211
Utilities, insurance, supplies and maintenance	801,675	635,152
Restaurant - cost of sales	388,475	431,325
Other expenses	484,006	289,557
Accounts payable and accrued liabilities	26,974	302,446

In addition, SGC pays PST to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. SGC also collects Liquor Consumption Tax and remits to the Saskatchewan Department of Finance.

Other transactions with related parties and amounts due to/from them are described separately in the consolidated financial statements and the notes thereto.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Heritage Foundation as at March 31, 2001 and the statements of operations and net assets, and cash flows for the year then ended. The Foundation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
April 20, 2001

Statement 1

SASKATCHEWAN HERITAGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
ASSETS		
Current assets:		
Cash	$ 20,608	$ 325
Due from General Revenue Fund (Note 3)	424,879	549,609
Due from Parks Canada (Note 5)	45,682	---
Due from Millennium Bureau (Note 5)	6,651	---
Accounts receivable	2,010	2,000
Advances	23,274	28,651
	$ 523,104	$ 580,585
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 1,961	$ 9,961
Net assets (Statement 2)	521,143	570,624
	$ 523,104	$ 580,585

Commitments (Note 4)

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN HERITAGE FOUNDATION
STATEMENT OF OPERATIONS AND NET ASSETS
For the Year Ended March 31

	2001		2000
	Budget (Note 7)	Actual	Actual
Revenues:			
Department of Municipal Affairs and Housing - General Revenue Fund	$ 345,000	$ 345,000	$ 352,500
Parks Canada (Note 5)	200,000	200,000	251,000
Millennium Bureau (Note 5)	---	37,154	---
Interest (Note 3)	25,140	25,749	24,809
Other	12,000	40,673	13,338
	582,140	648,576	641,647
Expenses:			
Heritage properties:			
Claybank Brick Plant (Note 5)	413,600	423,064	427,790
Other	210,400	226,957	202,451
Board travel and honorariums	21,200	30,012	15,222
Printing	6,750	7,097	6,570
Other	12,100	10,927	11,445
	664,050	698,057	663,478
Deficit for the year	$ 81,910	49,481	21,831
Net assets, beginning of year		570,624	592,455
Net assets, end of year - to Statement 1		$ 521,143	$ 570,624

(See accompanying notes to the financial statements)

Statement 3

SASKATCHEWAN HERITAGE FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash received from General Revenue Fund	$ 345,000	$ 352,500
Cash received from federal government	184,821	405,500
Interest received	25,749	24,809
Cash received from general contributors	40,663	11,338
Cash paid to recipients of heritage property funding	(269,616)	(201,144)
Cash paid to suppliers	(431,064)	(454,121)
Net (decrease) increase in cash	(104,447)	138,882
Cash, beginning of year	549,934	411,052
Cash, end of year	$ 445,487	$ 549,934
Cash consists of:		
Cash	$ 20,608	$ 325
Due from General Revenue Fund	424,879	549,609
	$ 445,487	$ 549,934

(See accompanying notes to the financial statements)

SASKATCHEWAN HERITAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority

The Saskatchewan Heritage Foundation was established under the authority of *The Saskatchewan Heritage Foundation Act* effective February 18, 1991. The Foundation works in close consultation with the Heritage Branch of the Department of Municipal Affairs and Housing and provides financial support for community-based heritage projects which conserve, restore, develop and interpret Saskatchewan's rich heritage resources.

The Foundation is managed by the Saskatchewan Heritage Foundation Board.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following policies are considered significant:

a) Heritage Properties

The cost incurred to restore and develop the Claybank Brick Plant is expensed in the year the services are rendered and/or goods received.

Other heritage projects that the Foundation funds are recorded as an expense when recipients incur eligible expenses for projects approved by the Foundation Board.

Donated heritage properties, materials and services are not recorded.

b) Grant Revenue

Grants are recognized when approved and eligibility criteria, if any, have been met.

c) Advances

Amounts paid to organizations for projects related to heritage properties are recorded as advances until the recipient organizations incur the eligible expenses.

d) Cash

Cash consists of balances with the bank and cash on hand.

3. Due From General Revenue Fund

The Foundation's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Foundation's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Foundation's bank accounts using the Government's thirty day borrowing rate and the Foundation's average daily bank account balance. The Government's average thirty day borrowing rate for 2001 is 5.59% (2000 – 4.79%).

4. Commitments

The Foundation has multi-year grant commitments at year end totalling $396,089 (2000 - $364,609). The Foundation Board has approved these heritage projects but no monies have been paid or eligible expenses incurred.

5. Heritage Properties

The Claybank Brick Plant was donated to the Foundation in 1992. In 1994, the plant was designated as a National Historic Site. During the year, the Foundation incurred restoration and development costs of $423,064 (2000 - $427,790). The Claybank Brick Plant Historical Society donates material and services to the Foundation to achieve the common goal of developing the Brick Plant as a tourist attraction. The Foundation has entered into an agreement with Parks Canada and the Millennium Bureau of Canada, a federal government agency, for the restoration of this National Historic Site. During the year, the Foundation recorded $200,000 (2000 - $251,000) as revenue from Parks Canada and $37,154 (2000- $0) as revenue from the Millennium Bureau of Canada.

6. Financial Instruments

The Foundation's financial instruments include cash, due from General Revenue Fund, due from Parks Canada, due from Millennium Bureau, accounts receivable, and accounts payable. The fair value of these instruments approximates carrying value due to their immediate or short-term maturity.

7. Budget

The Saskatchewan Heritage Foundation Board approved the 2000/01 budget.

8. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies and boards related to the Foundation by virtue of common control by the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at rates charged by those organizations and are settled on normal trade terms. Routine related party transactions include expenses of $33,346 (2000 - $38,831) and accounts payable of $0 (2000 - $0).

The Foundation pays Saskatchewan Education and Health tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established government practice, the Foundation has not been charged with certain administrative and occupancy costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Municipal Affairs and Housing from monies appropriated by the Legislature for such purposes.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

KPMG LLP
Chartered Accountants

AUDITORS' REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the consolidated balance sheet of the Saskatchewan Housing Corporation as at December 31, 2000 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2000, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Saskatchewan

February 19, 2001

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

Saskatchewan Housing Corporation
Consolidated Balance Sheet

As at December 31

(*thousands*)

	2000	1999
Assets		
Investment in housing projects (note 3)	$274,585	$ 275,243
Land (note 4)	6,544	6,036
Mortgages and loans (note 5)	4,826	4,970
Accounts receivable	6,453	8,800
Cash and cash equivalents	5,558	- - -
	$297,966	$295,049
Liabilities, Deferred Contributions and Net Assets		
Liabilities and Deferred Contributions:		
Long-term debt (note 6)	$ 181,062	$ 192,354
Accounts payable and accruals	17,818	16,893
Land profits holding account (note 10)	3,096	2,900
Short-term indebtedness	- - -	1,271
Deferred federal contributions (note 7):		
Expenditures of future periods	53,062	40,061
Capital assets	13,733	12,856
Deferred Centenary Fund contributions (note 8)	2,000	- - -
Other deferred contributions related to capital assets (note 9)	3,812	3,303
	$ 274,583	$ 269,638
Net Assets:		
Internally restricted net assets (note 11)	$ 21,730	$ 24,892
Unrestricted net assets	1,653	519
	$ 23,383	$ 25,411
	$ 297,966	$ 295,049

Contingencies and commitments (notes 15 and 16)

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Ken Pontikes, Member

Saskatchewan Housing Corporation
Consolidated Statement of Operations

For the year ended December 31

(thousands)

	2000 Planned	2000 Actual	1999 Actual
Revenues:			
Rents and other income	$ 72,251	$ 72,702	$ 71,018
Land sales	2,400	2,759	3,677
Federal contributions:			
Social Housing Agreement (note 7)	62,884	49,042	49,040
Other agreements	1,823	5,207	4,157
Provincial contributions:			
Operating	26,824	27,553	26,823
Centenary Fund (note 8)	---	150	---
Other contributions	1,462	764	6,407
	$ 167,644	$ 158,177	$ 161,122
Expenditures:			
Operating (note 13)	$ 101,268	$ 90,245	$ 82,386
Grants and subsidies	33,511	35,440	35,168
Interest expense (note 14)	23,202	22,762	24,533
Amortization of investment in housing projects	9,595	10,528	18,784
Cost of land sales	2,352	2,450	2,571
Loss provisions (recoveries) and other	419	(1,220)	171
	$ 170,347	$ 160,205	$163,613
Excess of expenditures over revenues	$ 2,703	$ 2,028	$ 2,491

See accompanying notes to the consolidated financial statements.

Saskatchewan Housing Corporation
Consolidated Statement of Changes in Net Assets

For the year ended December 31

(thousands)

	2000	1999
Internally Restricted Net Assets:		
Balance, beginning of year	$ 24,892	$ 26,008
Net transfers to unrestricted net assets (note 11)	(3,162)	(1,116)
Balance, end of year	$ 21,730	$ 24,892
Unrestricted Net Assets:		
Balance, beginning of year	$ 519	$ 1,894
Excess of expenditures over revenues	(2,028)	(2,491)
Net transfers from internally restricted net assets (note 11)	3,162	1,116
Balance, end of year	$ 1,653	$ 519
Net Assets, end of year	$ 23,383	$ 25,411

See accompanying notes to the consolidated financial statements.

Saskatchewan Housing Corporation
Consolidated Statement of Cash Flows

For the year ended December 31

(thousands)

Cash Provided By (Used In):

	2000	1999
Operating Activities:		
Excess of expenditures over revenues	$ (2,028)	$ (2,491)
Items not affecting cash:		
Amortization of investment in housing projects	10,528	18,784
Cost of land sales	2,450	2,571
Loss provisions (recoveries) and other	(1,442)	530
Grants and subsidies	339	246
Contributions related to capital assets recognized as revenue	(927)	(6,473)
Payments from land profits holding account	(165)	(641)
Decrease (increase) in non-cash working capital	3,406	(236)
Increase in deferred federal contributions for expenditures of future periods	13,001	2,923
	$ 25,162	$ 15,213
Investment Activities:		
Investment in housing projects	$ (10,305)	$ (16,168)
Investment in land	(3,042)	(3,451)
Reduction (increase) in mortgages and loans	736	(949)
Proceeds from sale of housing projects	1,227	507
	$ (11,384)	$ (20,061)
Financing Activities:		
Repayment of long-term debt	$ (31,575)	$ (36,156)
Proceeds from long-term debt	20,898	31,106
Sinking fund instalments	(585)	(313)
Federal contributions allocated to capital assets	1,383	10,683
Centenary Fund contributions designated for capital assets	2,000	---
Other contributions related to capital assets	930	99
	$ (6,949)	$ 5,419
Net increase in cash position	$ 6,829	$ 571
Cash and cash equivalents (short-term indebtedness), beginning of year	$ (1,271)	$ (1,842)
Cash and cash equivalents (short-term-indebtedness), end of year	$ 5,558	$ (1,271)

See accompanying notes to the consolidated financial statements.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 1: Status of the Corporation

The Saskatchewan Housing Corporation is a Treasury Board Crown Corporation which operates under the authority of ***The Saskatchewan Housing Corporation Act.***

The Corporation's general objectives are to undertake, facilitate, and promote measures which will contribute to the availability of adequate and affordable housing for all Saskatchewan residents, and in particular the provision of housing for senior citizens, families, the disabled and other groups or persons who require assistance. The Corporation also undertakes, facilitates and promotes measures to repair, rehabilitate and make improvements to housing.

Pursuant to provisions of Section 36 of ***The Saskatchewan Housing Corporation Act***, the Corporation receives operating contributions from the Government of Saskatchewan - General Revenue Fund. As a Provincial Crown Corporation, the Corporation is not subject to federal income tax, provincial income tax or federal large corporations tax.

Note 2: Significant Accounting Policies

The policies used in preparing the Corporation's consolidated financial statements are in accordance with accounting principles generally accepted in Canada.

Basis of consolidation

The consolidated financial statements include the accounts of Saskatchewan Housing Corporation and public housing authorities controlled by the Corporation.

Housing authorities are incorporated bodies with no share capital, established by ministerial order pursuant to subsection 18 (1) of ***The Saskatchewan Housing Corporation Act***. They provide community-based management of housing projects. Housing authorities are controlled by the Corporation by virtue of the fact that the Minister-in-charge of the Corporation has the legislative authority to appoint the members of each housing authority. Also, subsection 18 (9) of ***The Saskatchewan Housing Corporation Act*** provides that housing authorities must comply with policies established by the Corporation.

Transactions and account balances between the Corporation and housing authorities have been eliminated in these consolidated financial statements.

Revenue recognition

The Corporation follows the deferral method of accounting for contributions.

Provincial operating contributions provided through the Department of Municipal Affairs, Culture and Housing are unrestricted in nature, subject only to the broad provisions of Section 36 of ***The Saskatchewan Housing Corporation Act***. Accordingly, these contributions are recognized as revenue in the year in which they are received.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 2: Significant Accounting Policies, Continued

Federal contributions provided by Canada Mortgage and Housing Corporation (CMHC) are restricted in accordance with provisions of the Social Housing Agreement (note 7) and other agreements. Accordingly, federal contributions are recognized as revenue in the year in which the related expenditures are incurred. Federal contributions used or committed toward capital investments in housing projects are allocated to Deferred federal contributions - capital assets, and are recognized as revenue on the same basis as the amortization of the related housing projects.

Other contributions that are restricted for a specified use, including Centenary Fund contributions (note 8), are deferred and are recognized as revenue as the related expenditures are incurred.

Sales of land intended for single family residential development are recorded at the earlier of receipt of total proceeds or completion of the first floor joist stage of construction. Other land sales are recorded at the earlier of receipt of total sale proceeds or the date by which all material conditions required of the vendor as specified in the sales agreement have been satisfied, and effective control of the property has passed to the purchaser.

The cost of land sales is allocated in proportion to anticipated revenue for each project.

Grants and subsidies

Grant expenditures are recognized when an application for assistance has been approved and performance requirements have been met by the client.

Subsidy assistance is provided to non-profit housing sponsors and cooperatives in accordance with project operating agreements, which set forth the basis on which eligibility for subsidy assistance will be determined. Subsidy expenditures in a particular year are recorded based on actual or estimated costs incurred by each housing sponsor in the year.

Investment in housing projects

Investment in housing projects is carried at cost (which includes land, development, construction, administrative and carrying costs), less accumulated amortization. The recorded cost of certain projects is net of amounts provided by CMHC and municipalities in consideration for an ownership interest in the housing projects.

Debt-financed housing projects are amortized on the sinking fund basis using an interest rate of 7%. Other housing projects are amortized on a straight-line basis. Projects are amortized over periods of up to forty years.

Land

Land is recorded at the lower of net realizable value and cost (which includes acquisition, development, administrative and carrying costs).

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 2: Significant Accounting Policies, Continued

Interest capitalization

Interest is capitalized on debt-financed housing and land projects at rates established at individual project commitment dates, based on approximate market rates at the time.

Mortgages and loans

Mortgages and loans are recorded at cost less an allowance for impairment. Cost includes amounts advanced, accrued interest and other charges, less repayments and subsidies.

The allowance for impairment consists of specific provisions for loans considered to be impaired and a general provision for other potential future credit losses. The allowance is determined on the basis of a review of individual clients' loan payment records. Generally, management considers a loan to be impaired if there is no longer reasonable assurance of timely collection of the full amount of principal and interest. Management also takes into consideration the estimated realizable value of mortgage security where applicable.

Cash and cash equivalents (short-term indebtedness)

Cash and cash equivalents (short-term indebtedness) consists of cash on hand, balances with banks, and investments in money market instruments, net of outstanding cheques. Cash equivalents are carried at cost, which approximates market value.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates

Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Measurement uncertainty that is material to these financial statements exists in determining the economic useful life of housing projects, the valuation of land held for future development, and the valuation of mortgages and loans. In determining the recognized amounts for amortization of investments in housing projects and for asset valuation allowances, the Corporation performs periodic assessments of prevailing business and economic conditions. Management believes that the recognized amounts are unlikely to change by a material amount in the near term.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 3: Investment in Housing Projects

(thousands)

			2000	1999
	Cost	Accumulated Amortization	Carrying Amount	Carrying Amount
Wholly-owned housing projects	$ 157,439	$ 17,044	$ 140,395	$ 136,303
Housing investment	163,426	35,178	128,248	134,546
Construction	5,942	---	5,942	4,394
	$ 326,807	$ 52,222	$ 274,585	$ 275,243

The carrying amount of Investment in housing projects is dependent upon the continued receipt of contributions from the Government of Saskatchewan - General Revenue Fund and from CMHC.

Housing investment represents the Corporation's ownership interest in housing projects constructed or acquired pursuant to partnership agreements. The Corporation's cost is net of amounts provided by CMHC and municipalities in consideration for an ownership interest in the housing projects.

The Corporation and CMHC have executed a Declaration of Trust by which the Corporation is trustee for CMHC's ownership interest in partnership and 100% CMHC-owned housing projects. CMHC's ownership interest will be earned by the Corporation over the remainder of each project's CMHC subsidy commitment period, in amounts which correspond to CMHC's annual amortization of the assets. Accordingly, no increase in capital assets was recorded by the Corporation.

Note 4: Land

(thousands)

			2000	1999
	Cost	Accumulated Provision for Loss	Carrying Amount	Carrying Amount
Developed and under development	$ 8,484	$ 3,599	$ 4,885	$ 4,377
Held for future development	15,002	13,343	1,659	1,659
	$23,486	$16,942	$ 6,544	$ 6,036

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 5: Mortgages and Loans

(thousands)

	2000	1999
Mortgages	$ 4,815	$ 5,472
Loans	1,499	1,856
	$ 6,314	$ 7,328
Less: Allowance for impairment	1,488	2,358
	$ 4,826	$ 4,970

Included in Mortgages and loans are impaired accounts as follows:

	Amortized Cost	Allowance for Impairment	2000 Carrying Amount	1999 Carrying Amount
Mortgages	$ 1,021	$ 310	$ 711	$ 673
Loans	1,189	1,178	11	6
	$ 2,210	$1,488	$ 722	$ 679

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 6: Long-term Debt

		2000	1999
Advances repayable to the General Revenue Fund (thousands):			
Year Repayable	**Weighted Average Interest Rate (%)**		
2000	12.47	$ ---	$ 30,961
2001	15.51	42,075	42,075
2002	14.76	59,175	59,175
2003	12.14	4,556	4,556
2008	5.50	6,500	6,500
2019	6.27	31,106	31,106
2020	6.48	20,898	---
		$ 164,310	$ 174,373
Less: sinking fund equity		932	317
		$ 163,378	$ 174,056
Mortgages payable to CMHC, due at various dates from January 1 to September 1, 2002, secured by certain wholly-owned housing projects, repayable in monthly installments of $141,000 (1999 - $141,000) including interest at rates from 5.74% to 6.44%		17,684	18,298
		$ 181,062	**$ 192,354**

Under conditions attached to certain advances from the General Revenue Fund, the Corporation is required to pay annually into sinking funds administered by the Saskatchewan Department of Finance a minimum of one per cent of the advances outstanding. The investments held in the sinking funds are primarily Province of Saskatchewan debt instruments, with a weighted average yield of 8.36% (1999 – 8.57%).

Principal repayments and sinking fund installments due in each of the next five years are as follows (thousands):

2001	2002	2003	2004	2005
$43,312	$76,795	$ 5,141	$ 585	$ 585

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 7: Deferred Federal Contributions

(thousands)

a) Expenditures of Future Periods

	2000	1999
Balance, beginning of year	$ 40,061	$ 37,138
Contributions from CMHC - Social Housing Agreement	60,920	60,927
Interest credited	2,185	1,490
Contributions allocated to capital assets	(1,383)	(10,683)
Recognized as revenue - Social Housing Agreement	(48,721)	(48,811)
Balance, end of year	**$ 53,062**	**$ 40,061**

Pursuant to the Social Housing Agreement executed by the Corporation and CMHC, which took effect on January 1, 1997, CMHC will pay fixed annual contributions to the Corporation over the remainder of the CMHC subsidy commitment period for individual housing projects. The Agreement provides that at least a specified amount of the annual federal contributions must be applied toward housing programs which assist low income households, as defined in the Agreement. The portion of federal contributions that may be applied toward other housing programs within the scope of the Agreement is similarly specified. Unexpended federal contributions must be carried forward by the Corporation for use toward expenditures of future periods. Such contributions must be fully used, in accordance with the Agreement, by the Funding Expiration Date of December 31, 2038.

b) Capital Assets

	2000	1999
Balance, beginning of year	$ 12,856	$ 2,587
Contributions allocated	1,383	10,683
Recognized as revenue:		
Social Housing Agreement	(321)	(229)
Other agreements	(185)	(185)
Balance, end of year	**$ 13,733**	**$ 12,856**

The Social Housing Agreement provides that the Corporation may allocate federal contributions to capital investments in housing projects. Deferred federal contributions related to capital assets represent the unrecognized amount used or committed for that purpose, and include certain federal contributions received pursuant to other agreements. These contributions are recognized as revenue on the same basis as the amortization of the related housing projects.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 8: Deferred Centenary Fund Contributions

(thousands)

	2000	1999
Balance, beginning of year	$ ---	$ ---
Contributions	2,150	---
Recognized as revenue	(150)	---
Balance, end of year	**$ 2,000**	**$ ---**

The Corporation has received Centenary Fund contributions for the purpose of developing certain housing projects, either directly by the Corporation or by providing grants to non-profit sponsors. The designation of Centenary Fund contributions for particular projects is approved by Treasury Board. Centenary Fund contributions are recognized as revenue on the same basis as the related amortization or grant expenditures, as applicable.

Note 9: Other Deferred Contributions Related to Capital Assets

(thousands)

	2000	1999
Balance, beginning of year	$ 3,303	$ 9,534
Contributions	930	99
Net book value of housing project disposals	-----	(271)
Recognized as revenue	(421)	(6,059)
Balance, end of year	**$ 3,812**	**$ 3,303**

This balance relates to certain housing projects transferred to the Corporation, as well as contributions provided by Saskatchewan government departments and municipalities for the construction or acquisition of housing projects by the Corporation. These contributions are recognized as revenue on the same basis as the amortization of the related housing projects.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 10: Land Profits Holding Account

(thousands)

	2000	1999
Balance, beginning of year	$ 2,900	$ 2,389
Profit on land sales	299	1,105
Interest credited	62	47
Payments	(165)	(641)
Balance, end of year	**$ 3,096**	**$ 2,900**

Profits earned on land development projects are distributed according to agreements with municipalities, which specify the percentage of profits to be transferred to a holding account for social or recreational development in the municipalities, or for other purposes as deemed appropriate by the Corporation. Individual project balances are subject to release pending determination of final costs, receipt of the last lot sale proceeds, and approval by the Corporation.

Note 11: Internally Restricted Net Assets

(*tabular amounts in thousands*)

					2000	1999
	Replacement Reserve	Rejuvenation Commitments	Northern Initiatives	Risk Reserve	Total	Total
Balance, beginning of year	$ 7,390	$ 1,939	$ 2,140	$ 13,423	$ 24,892	$26,008
Transfers from Unrestricted net assets	2,039	804	----	760	3,603	4,736
Expenditures	(2,381)	(1,939)	(2,140)	(305)	(6,765)	(5,852)
Net transfers from (to) Unrestricted net assets	$ (342)	$ (1,135)	$ (2,140)	$ 455	$ (3,162)	$ (1,116)
Balance, end of year	**$ 7,048**	**$ 804**	**$ —**	**$ 13,878**	**$ 21,730**	**$ 24,892**

Replacement Reserve

The Corporation makes an internal restriction of net assets each year to provide for replacement of appliances and for building renovations. As expenditures are incurred they are charged to operations, with a corresponding reduction to the reserve balance. For 2000, the expenditures exceeded the annual provision by $342,000 (1999 - $134,000).

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 11: Internally Restricted Net Assets, Continued

Rejuvenation Commitments

The Corporation and public housing authorities controlled by the Corporation enter into contracts for rejuvenation of housing projects. An internal restriction of net assets has been made to reflect outstanding commitments under rejuvenation contracts as of December 31, 2000.

Northern Initiatives

Pursuant to a multi-year strategy for the delivery of housing initiatives in northern Saskatchewan, net assets have been internally restricted to provide forgivable loans to low income families and to developers for the construction of home ownership and rental accommodation, respectively, and to enable low income homeowners to undertake necessary home repairs.

Risk Reserve

The Social Housing Agreement between CMHC and the Corporation provided for a one-time contribution of $11,700,000, which was received in 1997. This amount plus interest has been internally restricted for mitigating operating risks associated with the Corporation's financial responsibility for housing programs transferred from CMHC pursuant to the Agreement, and for mitigating property risks associated with housing projects.

Note 12: Financial Instruments

Credit risk

Accounts receivable consist primarily of amounts due from CMHC, federal Goods and Services Tax rebates, deposit accounts and amounts due from non-profit housing sponsors, which in aggregate represent 75% (1999 - 66%) of balances outstanding. Credit risk on these accounts is minimal.

Credit risk arises from the possibility that tenants might be unable to fulfill their lease commitments. Public housing authorities mitigate this risk by conducting rental reference checks prior to tenant placement, through well defined procedures for addressing rent arrears, and by limiting the exposure to credit loss for any one tenant.

Credit risk also arises from the possibility that borrowers might default on their contractual loan obligations. Credit exposure on mortgages and loans is managed through appropriate account administration.

Mortgage guarantees provided by the Corporation are in respect of mortgages advanced to individual homeowners, except for mortgages totalling $3,096,000 (1999 - $3,269,000) which were advanced to the sponsors of certain seniors housing projects. The mortgages were advanced during 1986 and 1987, are being amortized through monthly payments and mature at various dates to the year 2023. Management believes that credit risk on these guarantees is minimal, due to the maturity of the mortgage portfolio.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 12: Financial Instruments, Continued

Interest rate risk

The interest rate on most mortgages and loans is renewed annually, except for impaired loans and certain residential rehabilitation loans, which were written at a fixed interest rate of 8.875% and mature over a period ending in the year 2002. Interest rates on 2000 renewals ranged from 7.35% to 8.18% (1999 - 6.20% to 7.35%).

The Corporation manages interest rate risk on debt by obtaining long-term advances through the General Revenue Fund at fixed interest rates.

Fair value of financial instruments

The fair value of financial instruments represents an approximation of amounts that would have been received or paid, calculated at the reporting date, to settle these instruments prior to maturity. Carrying amounts of financial instruments represent actual amounts recorded in the consolidated balance sheet.

The fair value of accounts receivable, cash and cash equivalents (short-term indebtedness), and accounts payable and accruals approximates the carrying amount of these instruments due to the short period to maturity. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing or certainty of future cash flows.

For other financial instruments, the carrying amounts and fair values are as follows (thousands):

	2000		1999	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Mortgages and loans	$ 4,826	$ 4,781	$ 4,970	$ 4,895
Long-term debt	181,062	187,943	192,354	204,104
Mortgage guarantees (note 15)	---	---	---	---

The fair value of mortgages and loans, other than impaired accounts, is based on the present value of future cash flows discounted at the December 31 market rate of interest for like instruments with a similar term to renewal or maturity, as applicable. For impaired mortgages and loans, fair value approximates the carrying amount.

The fair value of long-term debt is based on the present value of future cash flows discounted at the December 31 market rate of interest for Province of Saskatchewan or Government of Canada debt instruments with a similar maturity date, as applicable.

The fair value of mortgage guarantees is not reported as it is not practically determinable, since there is no market for these guarantees.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 13: Operating Expenditures

(thousands)

	2000	1999
Maintenance and rejuvenation	$ 37,595	$ 32,935
Grants in lieu of property taxes	15,189	14,699
Utilities	13,214	12,165
Other operating	24,247	22,587
	$ 90,245	$ 82,386

Note 14: Interest Expense

(tabular amounts in thousands)

	2000	1999
Interest incurred	$ 24,704	$ 25,891
Less: Interest income	(1,543)	(1,048)
Interest capitalized	(399)	(310)
	$ 22,762	$ 24,533

Interest incurred includes $23,265,000 (1999 - $25,067,000) paid during the year, $2,185,000 (1999 - $1,490,000) credited to Deferred federal contributions and $62,000 (1999 - $47,000) credited to the Land profits holding account, less a reduction in accruals of $808,000 (1999 - $713,000).

Note 15: Contingencies

Saskatchewan Mortgage Guarantee Program

During 1986 and 1987 the Corporation provided mortgage guarantees to lenders financing certain new housing construction. As at December 31, 2000, a total of 78 (1999 - 95) mortgage guarantees were in effect, and the outstanding balance of mortgages guaranteed was $6,265,000 (1999 - $7,495,000).

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 16: Commitments

The Corporation had the following commitments as at December 31, 2000:

(a) Housing project construction and acquisitions of $3,947,000;

(b) Land development expenditures of $2,556,000;

(c) Rejuvenation expenditures of $804,000;

(d) Grants and subsidies:

The Corporation has issued commitments under various programs for grants or ongoing subsidy assistance to individual homeowners, developers, landlords, cooperatives and non-profit sponsors of housing. As at December 31, 2000 the Corporation's commitments for grants for which performance requirements have not been met by clients totalled $1,672,000. An estimate of the cost of ongoing subsidy assistance for the next five years is as follows (thousands):

2001	2002	2003	2004	2005
$23,100	$22,800	$22,600	$ 22,500	$22,100

Certain of the agreements for ongoing assistance have remaining terms of up to 29 years. However, uncertainty regarding future interest rates and other economic factors precludes reasonable estimation of the Corporation's obligations for ongoing assistance beyond a five-year period.

Saskatchewan Housing Corporation
Notes to Consolidated Financial Statements

December 31, 2000

Note 17: Related Party Transactions

Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, departments, and boards related to the Corporation by virtue of common control by the Government of Saskatchewan.

Transactions with related parties in the normal course of operations are settled at prevailing market prices under normal trade terms. These transactions are not significant to the Corporation's consolidated operations or financial position except as described below.

Expenditures include services provided by Saskatchewan Power Corporation (SaskPower) totalling $4,221,000 (1999 - $4,201,000) and services provided by SaskEnergy Incorporated (SaskEnergy) totalling $4,731,000 (1999 - $4,014,000). Investment in land for the year ended December 31, 2000 includes SaskPower charges of $21,000 (1999 - $91,000) and SaskEnergy charges of $35,000 (1999 - $39,000). Accounts payable and accruals includes $221,000 (1999 - $213,000) payable to SaskPower and $291,000 (1999 - $186,000) payable to SaskEnergy.

The Corporation pays Saskatchewan Education and Health Tax on all its taxable purchases. Taxes paid are recorded as part of the cost of such purchases.

Interest expense incurred includes interest charges of $21,189,000 (1999 - $23,045,000) on long-term advances repayable to the General Revenue Fund. Accrued interest payable to the General Revenue Fund at December 31, 2000 totaled $4,222,000 (1999 - $5,027,000).

The Department of Municipal Affairs, Culture and Housing provides management services to the Corporation at no charge, except for amounts chargeable to housing operations in accordance with agreements between the Corporation and CMHC; such charges are based upon the Department's actual costs. These charges totalled $4,972,000 (1999 - $4,584,000) and are included in Expenditures. As at December 31, 2000, Accounts payable and accruals included $185,000 (1999 - $128,000) payable to the Department of Municipal Affairs, Culture and Housing on account of the above charges, as well as other administrative recoveries.

Other transactions with and amounts due to related parties are described separately in these consolidated financial statements and the notes thereto.

Note 18: Comparative Information

Certain 1999 financial information has been reclassified to conform with the 2000 presentation.

Deloitte
& Touche

AUDITORS' REPORT

To the Members of the Legislative Assembly, Province of Saskatchewan

We have audited the statement of financial position of Saskatchewan Property Management Corporation as at March 31, 2001, and the statements of revenue, expenses and net assets and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2001, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at March 31, 2000 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated April 28, 2000.

Deloitte & Touche LLP

Chartered Accountants

Regina, Canada
April 27, 2001

Saskatchewan Property Management Corporation

Statement of Financial Position

As at March 31

(Thousands of dollars)

	2001			2000
	Operating	**Capital**	**Total**	**Total**
Assets				
Real estate investments (note 3)	24,436	322,688	347,124	359,581
Equipment (note 4)	-	33,111	33,111	28,343
Other assets (note 5)	13,839	-	13,839	7,038
Accounts receivable	24,003	7,055	31,058	20,947
Cash and marketable securities	-	-	-	1,000
	62,278	362,854	425,132	416,909
Liabilities and net assets				
Bank overdraft	5,421	-	5,421	-
Capital lease obligations (note 6)	45,522	-	45,522	49,230
Accounts payable	16,523	787	17,310	16,791
Deferred capital contributions (note 7)	-	279,467	279,467	280,413
Long term liabilities (note 12)	2,885	-	2,885	-
	70,351	280,254	350,605	346,434
Net assets	(8,073)	82,600	74,527	70,475
	62,278	362,854	425,132	416,909

Commitments and contingencies (notes 6 and 10)

(See accompanying notes)

On behalf of the Board:

Doreen E. Hamilton

Saskatchewan Property Management Corporation
Statement of Revenue, Expenses and Net Assets
For the year ended March 31
(Thousands of dollars)

	2001				2000
	Operating	Capital	Total	Budget (unaudited)	Total
Revenue (notes 7 and 13)					
Accommodation	104,387	19,254	123,641	113,044	114,420
Vehicles	26,237	-	26,237	25,706	24,032
Grants	16,221	-	16,221	22,017	18,079
Other services	23,813	121	23,934	20,977	23,468
	170,658	19,375	190,033	181,744	179,999
Expenses					
Lease	30,890	-	30,890	32,175	28,610
Property management (note 8)	72,818	-	72,818	69,172	68,295
Interest - capital lease	4,562	-	4,562	5,481	5,882
Depreciation	3,125	21,521	24,646	25,252	25,066
General operations (note 8)	52,986	-	52,986	53,023	50,140
	164,381	21,521	185,902	185,103	177,993
Excess of revenue (expenses) before:	6,277	(2,146)	4,131	(3,359)	2,006
Loss on capital assets	(1)	(3,378)	(3,379)	(200)	(425)
SaskGeomatics operations	-	-	-	-	(2,390)
Excess of revenue (expenses)	6,276	(5,524)	752	(3,559)	(809)
Net assets, beginning of year	(7,357)	77,832	70,475		76,522
Contribution of land from Government of Saskatchewan - General Revenue Fund	-	-	-		656
Transfer of SaskGeomatics (note 15)	-	3,300	3,300		(5,894)
Transfer between funds	(6,992)	6,992	-		-
Net assets, end of year	(8,073)	82,600	74,527		70,475

(See accompanying notes)

Saskatchewan Property Management Corporation
Statement of Cash Flows
For the year ended March 31
(Thousands of dollars)

	2001	2000
Operating activities		
Excess of revenues (expenses)	752	(809)
Non-cash items affecting operations		
Depreciation	24,646	25,066
Amortization of deferred capital contributions	(19,375)	(15,968)
SaskGeomatics operations – depreciation and amortization of deferred capital contributions	-	2,051
Loss on capital assets	3,379	425
Recovery of SaskGeomatics working capital	-	1,270
Changes in non-cash working capital		
Accounts receivable	(4,476)	(2,983)
Other assets	(6,801)	170
Accounts payable	3,269	(3,163)
	1,394	6,059
Investing activities		
Purchases of capital assets	(25,110)	(25,790)
Proceeds from sale of capital assets	5,324	2,818
	(19,786)	(22,972)
Financing activities		
Proceeds of deferred capital contributions	12,794	18,992
Repayment of capital lease obligations	(3,708)	(3,502)
Proceeds of contributions for land purchases	-	656
Change in long term liability	2,885	-
	11,971	16,146
Decrease in cash and marketable securities	(6,421)	(767)
Cash and marketable securities, beginning of year	1,000	1,767
Cash and marketable securities, end of year	(5,421)	1,000
Cash and marketable securities consist of:		
Cash (bank overdraft)	(5,421)	(2,800)
Marketable securities with maturities less than 30 days (2000 – 5.25%)	-	3,800
	(5,421)	1,000

(See accompanying notes)

Saskatchewan Property Management Corporation
Notes to the Financial Statements
March 31, 2001
(Thousands of dollars)

1. Status of the corporation

The Saskatchewan Property Management Corporation ("SPMC" or "the corporation") was established under *The Crown Corporations Act, 1978*, by Order-in-Council #357-86 of 1986, and continues under *The Saskatchewan Property Management Corporation Act.* By virtue *of The Crown Corporations Act, 1993*, SPMC has been designated as a provincial Treasury Board Crown corporation. Accordingly, the financial results of the corporation are included in the summary financial statements of the Province of Saskatchewan. As a provincial Crown corporation, SPMC is not subject to federal income tax, provincial income tax, federal large corporations tax or goods and services tax

The corporation was established to provide a full range of accommodation, commercial and custodial services to government departments, agencies and Crown corporations.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a) Fund accounting
The corporation's financial position and operating activities have been divided into the following major groupings:

i) Operating fund
The Operating fund includes net assets and income generated from the operations of the corporation. The Operating fund includes the capital assets under capital lease. Revenue includes charges for accommodation and commercial services and grants received from the Government of Saskatchewan - General Revenue Fund for custodial services. Expenses relate to the delivery of these services.

ii) Capital fund
The Capital fund includes the capital assets to which the corporation has legal title. Revenue consists of the annual amortized portion of contributions received from the Government of Saskatchewan - General Revenue Fund for the construction, purchase or development of capital assets (Note 2(b)).

b) Revenue recognition - Capital fund
Contributions received or receivable from the Government of Saskatchewan - General Revenue Fund for the construction, purchase or development of depreciable capital assets, including assets transferred from the Government of Saskatchewan - General Revenue Fund, are deferred and amortized to revenue on the same basis as the related capital asset is depreciated. Contributions received from the Government of Saskatchewan - General Revenue Fund for the purchase or development of non-depreciable capital assets such as land, including non-depreciable capital assets transferred from the Government of Saskatchewan - General Revenue Fund, are recognized as direct increases in the net asset balance in the year of acquisition.

Other amounts received or receivable from other sources during construction or development reduce the cost of the related asset.

c) **Capital assets**

i) Real estate investments

Properties contributed by the Government of Saskatchewan - General Revenue Fund are stated at appraised value approximating the government's depreciated historical cost at the date of transfer, determined by techniques generally accepted in the appraisal industry. Properties purchased or constructed by the corporation are stated at cost.

Properties acquired under capital lease arrangements are stated at the lesser of the present value of the minimum lease payments and the fair market value of the leased property.

The corporation capitalizes all direct costs relating to projects under construction including general, administrative and interest expenses.

Depreciation on properties is recorded on a straight-line basis over their estimated useful lives. The estimated useful lives of buildings are between one and 55 years. The average estimated useful life approximates 20 years.

ii) Equipment

Equipment purchased by the corporation is stated at cost.

Depreciation on equipment is recorded on a straight-line basis over the estimated useful life of the asset. The estimated useful lives range from two to 10 years.

Capital assets that can no longer be used by the corporation for their intended purpose are written down to net realizable value.

d) **Inventories of parts and supplies**

Inventories of parts and supplies are stated at the lower of cost as determined on a first in, first out basis and replacement cost.

e) **Cash and marketable securities**

The corporation's marketable securities are considered to be cash equivalents and are recorded at cost, which approximates market value.

f) **Deferred charges**

Deferred charges are amortized on a straight-line basis over the term of the expected benefit.

3. Real estate investments

	2001			2000
	Land	Buildings	Total	Total
Operating fund				
In operation - under capital lease	-	64,026	64,026	65,748
Accumulated depreciation	-	(39,590)	(39,590)	(38,187)
	-	24,436	24,436	27,561
Capital fund				
In operation	46,888	451,164	498,052	506,539
Under construction	676	5,680	6,356	24,014
Held for disposal	14	1,066	1,080	349
	47,578	457,910	505,488	530,902
Accumulated depreciation	-	(182,800)	(182,800)	(198,882)
	47,578	275,110	322,688	332,020
	47,578	299,546	347,124	359,581

During 2001, the carrying value of real estate investments was reduced by 2,627 (2000 - 45) to reflect the reduced value of assets that can no longer be used by the corporation for their intended purpose.

No interest expense was capitalized during the year (2000 – nil).

4. Equipment

	2001			2000
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Capital fund				
Vehicles	53,995	(33,671)	20, 323	21,213
Aircraft	14,041	(2,356)	11,685	5,863
Furniture	616	(412)	204	302
Other	1,643	(744)	899	965
	70,295	(37,183)	33,111	28,343

During the year, the carrying value of equipment was reduced by 58 (2000 - 33) to reflect the reduced value of assets that can no longer be used by the corporation for their intended purpose.

5. Other assets

	2001	2000
Inventories of parts and supplies	5,149	4,153
Prepaid expenses	5,890	2,885
Deferred charge	2,800	-
	13,839	7,038

6. Capital and operating lease obligations

Future minimum lease payments under capital leases for buildings and operating leases for buildings and vehicles are:

Fiscal year	Capital leases	Operating leases
2001-02	11,785	26,345
2002-03	11,483	22,616
2003-04	10,999	17,645
2004-05	10,464	13,384
2005-06	9,031	11,382
Subsequently	40,676	19,199
	94,438	110,571
Less:		
Interest implicit in leases at an average rate of 11.34%	28,691	
Executory costs	20,225	
	48,916	
	45,522	

Capital leases expire at various dates up to May 31, 2012.

7. Deferred capital contributions

	2001	2000
Balance, beginning of year	280,413	281,703
Contributions received or receivable from the Government of Saskatchewan - General Revenue Fund	18,429	15,926
Transfer of SaskGeomatics (note 15)	-	(981)
Contributions amortized to revenue	(19,375)	(15,968)
SaskGeomatics operations – amortized contributions	-	(267)
Balance, end of year	279,467	280,413

8. Expenses by object

Property management and general operations expenses on the Statement of Revenue, Expenses and Net Assets are reported by object as follows:

	2001	2000
Salaries and benefits	37,779	36,138
Goods and services for resale	46,328	40,277
Utilities	12,704	11,479
Property maintenance	10,132	9,615
Other property management	11,928	13,768
Other general operations	6,933	7,158
Total property management and general operations expenses	125,804	118,435

9. Comparison of budget and actual results

The Board of Directors approves the corporation's budget. The budget disclosed in the financial statements is restated to the accrual basis for comparative purposes.

Treasury Board and the Legislative Assembly approve the level of grant funding provided to the corporation.

10. Commitments and contingencies

At March 31, 2001 the corporation has construction and capital purchase commitments of 8,953 (2000 – 19,475).

SPMC holds a prepaid lease in the amount of 2,700 on property, and the owner of the building has defaulted on the mortgage. The ultimate impact of this event on the prepaid lease is not determinable at this time, therefore no amount has been recorded to reduce its value in the financial statements.

In the normal course of business, SPMC becomes involved in various claims and legal proceedings. The final outcome of claims and legal proceedings pending at March 31, 2001 cannot be predicted with certainty. The corporation has provided for these claims in accordance with the advice received from legal counsel. The differences that may arise, between the amounts included in the corporation's accounting records and future settlements, are not expected to have a significant impact on the corporation's financial position or operating results.

11. Pension

Substantially all employees of the corporation are participants in either defined contribution or defined benefit pension plans.

Employees hired after October 1, 1977, make contributions to the Public Employees Pension Plan, a defined-contribution plan. Funding requirements are established by *The Superannuation (Supplementary Provisions) Act* and employee contributions are matched by the corporation.

The defined contribution pension plan expense for the year was 1,595 (2000 – 1,462)

Employees hired prior to October 1, 1977, who did not elect to transfer to the Public Employees Pension Plan by October 1, 1978, make contributions to the Public Service Superannuation Plan, a defined-benefit plan. The plan provides for pensions at retirement which are based on employees' years of service and their highest five years' earnings. The corporation does not make contributions to this plan. Pension obligations for this plan are the responsibility of the Government of Saskatchewan - General Revenue Fund.

12. Long term liability

The long term liability relates to the financing of costs incurred under energy performance contracts. These contracts have been entered into by SPMC with a Saskatchewan crown corporation (the crown corporation) for the purpose of reducing future operating costs. Interest on the long term liability is at prime plus one percent during the period in which work is being completed on each phase of the contract. Once a phase is completed, a fixed interest rate will be established and SPMC will begin making fixed monthly payments. At March 31, 2001, there were no completed phases.

These energy performance contracts include guarantees by the crown corporation to SPMC as to the level of future operating costs reductions.

13. Related party transactions

The corporation receives substantially all of its revenues from Saskatchewan Crown-controlled departments, agencies, corporations and public institutions. These revenues are determined primarily on the basis of recovery of costs incurred by the corporation. As a result, substantially all of the corporation's year-end accounts receivable are due from related departments, agencies, corporations and public institutions.

The corporation's financial statements include expenses such as rents, vehicle licenses, electrical and natural gas, telecommunication and data line (network) purchases, and employee benefit costs that result from routine operating transactions conducted at agreed upon rates with various related Saskatchewan Crown-controlled departments, agencies, corporations and public institutions.

The account balances resulting from purchases with related parties are included in the statement of financial position and are settled in normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	2001	2000
Statement of Financial Position		
Other assets	1,904	1,792
Capital lease obligations	8,131	8,442
Accounts payable	3,304	3,268
Statement of Revenue, Expenses and Net Assets		
Lease	1,643	1,911
Property management	12,123	10,767
Interest - capital lease	1,267	1,311
General operations	4,098	4,676

Other amounts payable to related parties and the terms of settlement are disclosed separately in these financial statements.

14. Financial instruments

	2001	2000
Capital lease obligations		
Carrying amount	45,522	49,230
Fair value	56,616	62,017

The fair value of the corporation's capital lease obligations is determined using year-end market rates. The carrying value of all other financial instruments including cash and marketable securities, accounts receivable and accounts payable approximates fair value as a result of the short period to maturity.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. SPMC is not exposed to significant credit risk. The majority of the corporation's accounts receivable are owing from Saskatchewan Crown-controlled departments, agencies, corporations and public institutions.

15. Transfer of SaskGeomatics

Order-in-Council #730 of 1999 created the Saskatchewan Land Information Services Corporation, now called Information Services Corporation of Saskatchewan (ISC), a related party. ISC assumed responsibility for the SaskGeomatics program operated by SPMC. The assets and liabilities of the program were transferred to ISC effective January 1, 2000. At March 31, 2000 an assessment of the fair value of the SaskGeomatics' assets had not been finalized. In December 2000 payment in the amount of 3,300 was received from ISC in consideration of the transferred assets.

16. Comparative figures

Certain comparative figures have been restated to conform to the current year's financial statement presentation.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants

May 7, 2001

Auditors' Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the statement of financial position of **Saskatchewan Wetland Conservation Corporation** as at March 31, 2001 and the statements of revenue, expenses and net assets, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization.

Saskatchewan Wetland Conservation Corporation

Statement of Financial Position

As at March 31, 2001

	2001 $	2000 $ (restated – see note 3)
Assets		
Current assets		
Accounts receivable	1,154,635	1,081,395
Prepaid expenses	18,564	11,531
	1,173,199	1,092,926
Capital assets, at cost (note 5)	5,350,605	5,363,851
Less: Accumulated amortization	135,607	166,539
	5,214,998	5,197,312
	6,388,197	6,290,238
Liabilities and Net Assets		
Current liabilities		
Bank indebtedness	379,065	349,036
Accounts payable	322,070	287,048
Deferred revenue (note 7)	165,570	163,529
	866,705	799,613
Net assets		
Invested in capital assets	5,214,998	5,197,312
Unrestricted funds	306,494	293,313
	5,521,492	5,490,625
	6,388,197	6,290,238

Approved by the Board of Directors

_______________ Director _______________ Director

Saskatchewan Wetland Conservation Corporation

Statement of Revenues, Expenses and Net Assets

For the year ended March 31, 2001

	Budget $ (unaudited – see note 10)	2001 $	2000 $ (restated – see note 3)
Revenue			
Canadian			
Government of Saskatchewan			
– General Revenue Fund	571,166	566,329	531,500
– Fish and Wildlife Development Fund	62,836	103,759	125,604
Canadian Wildlife Service	260,000	384,000	280,000
Prairie Farm Rehabilitation Administration	281,272	268,862	485,708
Environment Canada	33,215	29,815	130,051
Saskatchewan Stock Growers Association	344,000	344,000	-
Millennium Bureau of Canada	281,064	280,264	177,736
Wildlife Habitat Canada	48,000	48,000	26,400
Other Canadian	288,687	350,740	306,529
United States			
United States Fish and Wildlife Service	118,754	17,306	134,747
United States – State	94,476	87,925	43,441
Unites States – Other	15,120	58,340	100,379
National Fish and Wildlife Foundation	-	-	58,094
	2,398,590	2,539,340	2,400,189
Other income (note 6)	22,500	35,460	33,578
	2,421,090	2,574,800	2,433,767
Expenses			
Program (Schedule 1)			
Agricultural services	69,500	65,508	92,815
Biological services	293,533	280,829	278,324
Communications and marketing	197,725	235,438	239,318
International programs	59,380	107,940	62,546
Prairie shores	142,245	130,474	195,297
Program co-ordination	312,500	304,937	307,525
Program development	75,000	71,626	72,141
Stewardship	586,112	805,754	614,173
	1,735,995	2,002,506	1,862,139
Payments to delivering partners	672,195	512,536	542,376
Other			
Write down of assets	-	8,156	4,772
Amortization of capital assets	-	20,735	21,555
	-	28,891	26,327
	2,408,190	2,543,933	2,430,842
Excess of revenue over expenses for the year	12,900	30,867	2,925
Net assets – Beginning of year	5,490,625	5,490,625	5,487,700
Net assets – End of year	5,503,525	5,521,492	5,490,625

Saskatchewan Wetland Conservation Corporation

Statement of Changes in Net Assets

For the year ended March 31, 2001

	Unrestricted $	Invested in Capital Assets $	2001 $	2000 $
Balance at beginning of year	293,313	5,197,312	5,490,625	5,487,700
Revenues	2,574,800	-	2,574,800	2,433,767
Operating expenses	(2,515,042)	-	(2,515,042)	(2,404,515)
Amortization and write down of capital assets	-	(28,891)	(28,891)	(26,327)
Excess (deficiency) of revenue over expenses	59,758	(28,891)	30,867	2,925
Acquisition of capital assets	(46,577)	46,577	-	-
	306,494	5,214,998	5,521,492	5,490,625

Saskatchewan Wetland Conservation Corporation

Statement of Cash Flows

For the year ended March 31, 2001

	2001 $	2000 $ (restated – see note 3)
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	30,867	2,925
Items not affecting working capital		
Amortization	20,735	21,555
Write-down of capital assets	8,156	4,772
	59,758	29,252
Net change in non-cash working capital items (note 8)	(43,210)	(585,832)
	16,548	(556,580)
Investing activities		
Purchase of capital assets	(46,577)	(22,092)
Financing activities		
Net increase bank indebtedness	30,029	578,672
Cash – End of year	-	-
	-	-

Saskatchewan Wetland Conservation Corporation

Notes to Financial Statements

March 31, 2001

1 Incorporation and reporting of Saskatchewan Wetland Conservation Corporation

Saskatchewan Wetland Conservation Corporation was incorporated by Order-in-council December 21, 1989 under the Crown Corporations Act, 1978. The corporation's mandate under the incorporation Order-in-council is to co-ordinate the delivery of the North American Waterfowl Management Plan in Saskatchewan. The North American Waterfowl Management Plan was formally adopted on May 14, 1986 by the Federal Governments of Canada and the United States as a plan for conservation of internationally shared waterfowl resources.

Under the authority of Order-in-council No. 29/90 dated January 10, 1990, Saskatchewan Wetland Conservation Corporation holds responsibility to co-ordinate or account for the collection and disbursements of monies related to programs or activities undertaken in Saskatchewan pursuant to the North American Waterfowl Management Plan. These financial statements report only those monies designated to be collected and distributed through the accounts of the corporation.

2 Summary of significant accounting policies

This summary of significant accounting policies provides a description of the accounting methods and practices that have been used in the preparation of these financial statements.

General principles

The corporation has adopted the accrual basis of accounting.

Capital assets

Capital assets purchased by the Corporation are recorded at cost. Capital assets are amortized on a declining balance basis as follows:

Equipment and furniture	20%
ATV and trailers	30%
Computer equipment	30%

Donated property is recorded at fair value when the fair value can be reasonably determined. When an estimate of fair value cannot reasonably be made, the capital asset is recorded at nominal value.

3 Change in accounting policy

During the year, the Corporation changed its method for accounting of capital assets. Previously, capital asset purchases were expensed during the year of purchase and recorded on the balance sheet as an asset with an offsetting equity balance. Under the new accounting policies, capital asset purchases are recorded as an asset and amortization taken annually over the estimated useful life of the asset.

The policy has been applied retroactively and prior year information has been restated.

Saskatchewan Wetland Conservation Corporation
Notes to Financial Statements
March 31, 2001

As a result of the retroactive application the following changes were made to the March 31, 2000 financial statements: Capital asset acquisitions of $22,092 have been eliminated from the statement of revenue, expenses and net assets, and amortization of $21,555 has been recorded. In addition, a loss on the write down of capital assets in the amount of $4,772 has been recorded. The effect on the excess of revenue over expenses is a change from $7,160 to $2,925. There is no effect on the overall net assets.

4 Related party transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year end, are as follows:

	2001 $	2000 $
Revenue	694,013	658,218
Expenses	233,865	181,174
Accounts receivable	66,000	59,300
Accounts payable and accrued liabilities	20,894	14,647
Deferred revenue	60,000	71,801

Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

5 Capital assets

	2001			2000
	Cost $	Accumulated amortization $	Net $	Net $
Land	6,000	-	6,000	6,000
Donated land and transfers	5,141,589	-	5,141,589	5,141,589
Equipment and furniture	58,256	40,113	18,143	16,085
ATV and trailers	73,348	62,053	11,295	5,262
Computer equipment	70,522	33,441	37,081	27,486
Artwork	890	-	890	890
	5,350,605	135,607	5,214,998	5,197,312

Saskatchewan Wetland Conservation Corporation

Notes to Financial Statements

March 31, 2001

6 Other income

Other income is comprised as follows:

	2001 $	2000 $
Donations	2,000	-
Interest earned	4,716	8,869
Miscellaneous revenues including exchange gain	5,544	3,702
Crown land fees and permits	23,200	21,007
	35,460	33,578

7 Deferred revenue

At year-end, the Corporation has received funding for various projects but has not yet completed the projects. Revenue deferred to cover expenses associated with those projects has been received from the following organizations:

	2001 $	2000 $
TransCanada Pipeline	61,077	71,159
Saskatchewan Environment Resource Management	60,000	55,000
Fish and Wildlife Development Fund	-	12,877
Saskatchewan Stock Growers Association	10,900	-
Other	33,593	24,493
	165,570	163,529

8 Net change in non-cash working capital items

	2001 $	2000 $
Accounts receivable	(73,240)	(739,848)
Prepaid expenses	(7,033)	(1,771)
Accounts payable	35,022	151,427
Deferred revenue	2,041	4,360
	(43,210)	(585,832)

Saskatchewan Wetland Conservation Corporation

Notes to Financial Statements

March 31, 2001

9 Financial instruments

The Corporation's recognized financial instruments consist of bank indebtedness, accounts receivable and accounts payable. Due to the short term nature of these instruments, their fair value approximates their carrying value.

10 Budget figures

The budget figures are presented for comparison purposes, are unaudited, and are those as approved by the Board, reclassified to conform with the presentation of these financial statements.

Saskatchewan Wetland Conservation Corporation

Schedule 1 – Program Expenses

For the year ended March 31, 2001

								Departments	Year ended March 31	
	Agricultural services $	Biological services $	Communication and marketing $	International programs $	Prairie shores $	Program co-ordination $	Program development $	Stewardship $	2001 $	2000 $
Contractual services	1,121	14,210	61,275	1,674	29,269	618	-	116,050	224,217	209,993
Field supplies	3,071	37,577	64	3,365	8,769	718	-	105,377	158,941	126,548
General expenses	11,776	6,148	42,988	30,661	5,132	35,476	1,369	75,875	209,405	251,306
Office expenses	11,542	15,147	28,148	4,174	1,008	33,440	895	27,258	121,612	114,416
Salaries and benefits	32,828	179,680	95,122	55,219	83,123	206,850	68,379	444,217	1,165,418	1,065,874
Travel and other staff costs	5,170	28,067	7,861	12,847	3,173	27,835	983	36,977	122,913	94,002
	65,508	280,829	235,458	107,940	130,474	304,937	71,626	805,754	2,002,506	1,862,139

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Doukhobors of Canada C.C.U.B. Trust Fund Board as at May 31, 2000 and the statement of revenue, expense and unrestricted fund balance for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at May 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
July 25, 2000

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

DOUKHOBORS OF CANADA C.C.U.B. TRUST FUND BOARD
BALANCE SHEET
As at May 31

	2000	1999
ASSETS		
Cash in bank	$ 71	$ 1,984
Investments (Schedule 1)	290,357	285,778
Accrued interest receivable	9,745	8,910
Total assets	$ 300,173	$ 296,672
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 805	$ 762
Fund Balance		
Restricted (Note 3)	267,500	267,500
Unrestricted (Statement 2)	31,868	28,410
Total fund balance	299,368	295,910
Total liabilities and fund balance	$ 300,173	$ 296,672

(See accompanying notes to the financial statements)

Statement 2

DOUKHOBORS OF CANADA C.C.U.B. TRUST FUND BOARD
STATEMENT OF REVENUE, EXPENSE AND UNRESTRICTED FUND BALANCE
For the Year Ended May 31

	2000	1999
REVENUE:		
Investment interest	$ 19,529	$ 19,574
EXPENSE:		
Grants	14,001	13,500
Board expense	1,264	2,231
Sundry expense	806	1,888
Total expense	16,071	17,619
Excess of revenue over expense for the year	3,458	1,955
Unrestricted Fund, beginning of year	28,410	26,455
Unrestricted Fund, end of year (Statement 1)	$ 31,868	$ 28,410

(See accompanying notes to the financial statements)

DOUKHOBORS OF CANADA C.C.U.B. TRUST FUND BOARD
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2000

1. Significant Accounting Policies

The financial statements are prepared on the accrual basis of accounting and include the following significant accounting policies:

a) Investments

Investments are recorded at amortized cost. Premiums/discounts are amortized over the term of the investment. Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss.

b) Grant Commitments

Grant commitments are recorded as expenses when approved by the Board. Should any grants committed remain unpaid at the year end they are reflected as a liability on the balance sheet.

2. Incorporation

The Doukhobors of Canada C.C.U.B. Trust Fund Board was incorporated under *The Doukhobors of Canada C.C.U.B. Trust Fund Act*. This Act came into force by proclamation of the Lieutenant Governor on June 29, 1980. On June 3, 1982, by Order in Council #882 the Lieutenant Governor in Council appointed a chairman and a vice-chairman of the Board, and the Board commenced operations.

The purpose of the Board is to administer the Doukhobors of Canada C.C.U.B. Trust Fund and to make grants from this Fund to recognized non-profit organizations which are dedicated to establishing and maintaining the heritage and culture of the Doukhobors of Canada.

3. Restricted Fund Balance

The Fund was initially created from surplus funds arising out of the liquidation of assets of the C.C.U.B. Ltd. in the amount of $222,078 plus interest of $45,422 totalling $267,500. According to *The Doukhobors of Canada C.C.U.B. Trust Fund Act* only the investment income on this $267,500 will be made available for expenditure by the Board.

4. Financial Instruments

a) Significant terms and conditions

There are no significant terms and conditions related to cash in bank, accrued interest receivable or accounts payable that may affect the amount, timing and certainty of future cash flows. Significant terms and conditions for the other financial instruments are disclosed separately in these financial statements.

b) Credit Risk

The Board invests in bonds and debentures that are either government-backed or covered by the Canadian Deposit Insurance Corporation. In addition, investments are made in accordance with *The Pension Benefits Standards Regulations, 1985.*

c) Fair Value

The carrying amounts of these financial instruments approximate fair value due to their immediate or short-term nature:

- cash in bank;
- accrued interest receivable; and
- accounts payable.

Schedule 1

DOUKHOBORS OF CANADA C.C.U.B. TRUST FUND BOARD
SCHEDULE OF INVESTMENTS
As at May 31, 2000

Description	Interest Rate	Maturity Date	Cost
Sask. Svgs. Bond Ser. 8	5.000%	July 15/04	$ 48,400
Kamsack Credit Union - Term Deposit	4.700%	April 20/01	$ 5,610
Sunlife Savings & Mortgage	5.750%	July 16/04	$ 40,000
Province of Ontario	8.000%	Mar. 11/03	$ 46,394
Province of Quebec	7.500%	Dec. 1/03	$ 44,931
Province of Alberta	6.375%	June 1/04	$ 49,892
Farm Credit Corporation	6.500%	June 15/04	$ 40,000
TD Bank - Term Deposit	4.100%	April 5/01	$ 2,500
TD Bank - Term Deposit	4.100%	May 3/01	$ 2,130
TD Bank – Term Deposit	4.250%	Aug. 8/00	$ 2,500
TD Bank – Term Deposit	3.800%	July 5/00	$ 8,000
			$ 290,357

The market value of the investments at May 31, 2000 was $295,372

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Office of the Rentalsman - Rentalsman's Trust Account as at March 31, 2001 and the statement of changes in trust account balance for the year then ended. The Office of the Rentalsman's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Office of the Rentalsman - Rentalsman's Trust Account as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
August 7, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

OFFICE OF THE RENTALSMAN - RENTALSMAN'S TRUST ACCOUNT
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
ASSETS		
Accounts receivable	$ ---	$ 20
Due from General Revenue Fund (Note 4)	37,836	64,403
Total assets	$ 37,836	$ 64,423
LIABILITIES		
Security deposits held in trust	$ 23,336	$ 51,283
Application fees payable - Department of Justice	14,500	13,140
Total liabilities	$ 37,836	$ 64,423

(See accompanying notes to the financial statements)

Statement 2

OFFICE OF THE RENTALSMAN - RENTALSMAN'S TRUST ACCOUNT
STATEMENT OF CHANGES IN TRUST ACCOUNT BALANCE
Year Ended March 31

	2001	2000
SECURITY DEPOSITS HELD IN TRUST/ APPLICATION FEES		
Receipts from landlords or tenants	$ 515,714	$ 632,286
Payments to landlords or tenants	(369,841)	(481,239)
Payments to Department of Justice	(172,440)	(163,100)
Balance, beginning of year	64,403	76,456
Balance, end of year to Statement 1	$ 37,836	$ 64,403

(See accompanying notes to the financial statements)

OFFICE OF THE RENTALSMAN - RENTALSMAN'S TRUST ACCOUNT
NOTES TO FINANCIAL STATEMENTS

March 31, 2001

1. Legislative Authority

Pursuant to provisions of *The Residential Tenancies Act*, the Office of the Rentalsman - Rentalsman's Trust Account was established for the purpose of receiving and disbursing monies, under Section 35, Section 47 and Section 65 of *The Residential Tenancies Act*.

2. Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. Related Party Transactions

In accordance with established government practice, the Rentalsman's Trust Account has not been charged with any administrative costs and no provision for such cost is reflected in these statements. These costs are borne by the Department of Justice from monies appropriated by the Legislature for such purposes.

Under Section 6(1) of *The Residential Tenancies Regulation, 1992*, applications are subject to an application fee which is recorded as revenue for the Department of Justice. This fee is included in receipts and payments of the Rentalsman's Trust Account.

4. Due from General Revenue Fund

The Office of the Rentalsman - Rentalsman's Trust bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. No interest is paid into this account by the General Revenue Fund.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Provincial Mediation Board Trust Accounts as at March 31, 2001 and the statement of receipts, disbursements and trust account balances for the year then ended. The Provincial Mediation Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Provincial Mediation Board Trust Accounts as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 31, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
STATEMENT OF FINANCIAL POSITION
As of March 31

	2001	2000
ASSETS		
Due from General Revenue Fund (Note 4)	$ 113,751	$ 215,780
Total assets	$ 113,751	$ 215,780
LIABILITIES		
Trust account balances (Statement 2)		
Orderly payment of debts program	$ 93,174	$ 189,664
Consumer proposals	14,154	10,671
Mediation of debts program	5,483	13,625
Tax enforcement proceedings	940	1,820
Total liabilities	$ 113,751	$ 215,780

(See accompanying notes to the financial statements)

Statement 2

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
STATEMENT OF RECEIPTS, DISBURSEMENTS AND TRUST ACCOUNT BALANCES
Year Ended March 31

	2001	2000
ORDERLY PAYMENT OF DEBTS PROGRAM		
Receipts from clients	$ 984,004	$ 789,667
Payments to creditors	(916,704)	(608,160)
Payments to Department of Justice	(163,790)	(110,189)
(Decrease) Increase in Trust balance	(96,490)	71,318
Balance, beginning of year	189,664	118,346
Balance, end of year to Statement 1	$ 93,174	$ 189,664
CONSUMER PROPOSALS		
Receipts from clients	$ 89,823	$ 100,285
Interest from General Revenue Fund (Note 4)	1,275	1,380
Payments to creditors	(79,613)	(124,782)
Payments to Department of Justice	(8,002)	(16,659)
Increase (Decrease) in Trust Balance	3,483	(39,776)
Balance, beginning of year	10,671	50,447
Balance, end of year to Statement 1	$ 14,154	$ 10,671
MEDIATION OF DEBTS PROGRAM		
Receipts from clients	$ 90,501	$ 81,249
Payments to creditors	(91,280)	(75,648)
Payments to Department of Justice	(7,363)	(5,359)
(Decrease) Increase in Trust balance	(8,142)	242
Balance, beginning of year	13,625	13,383
Balance, end of year to Statement 1	$ 5,483	$ 13,625
TAX ENFORCEMENT PROCEEDINGS		
Receipts from property owners	$ 17,720	$ 23,320
Payments to municipalities	(840)	(2,830)
Payments to Department of Justice	(17,760)	(19,860)
(Decrease) Increase in Trust Balance	(880)	630
Balance, beginning of year	1,820	1,190
Balance, end of year to Statement 1	$ 940	$ 1,820

(See accompanying notes to the financial statements)

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Legislative Authority

The Trust Accounts were established for the purpose of receiving and disbursing monies for persons who have entered into negotiations for the settlement of debts, either through *The Provincial Mediation Board Act*, *The Tax Enforcement Act*, Orderly Payment of Debts Regulations or through the Consumer Proposals Program.

2. Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. Related Party Transactions

In accordance with established government practice, the Trust Accounts have not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Justice from monies appropriated by the Legislature for such purposes.

Under Parts III and X of *The Bankruptcy and Insolvency Act*, the Consumer Proposals and the Orderly Payment of Debts Consolidation Orders are subject to application and administration fees which are recorded as revenue for the Department of Justice. These fees are included in the receipts and payments under the Orderly Payment of Debts Program, Consumer Proposals, Mediation of Debts Program and Tax Enforcement Proceedings.

4. Due From General Revenue Fund

The Provincial Mediation Board's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The bank account set up to handle Consumer Proposals earns interest that is calculated and paid by the General Revenue Fund on a quarterly basis into the Trust's bank account using the Government's 30 day borrowing rate and the Trust's average daily bank account balance. Interest is allocated to clients based on their balances.

No interest is paid into the bank account used for the remaining programs.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets of the Public Employees Deferred Salary Leave Fund as at December 31, 2000 and the statement of changes in net assets for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2000 and the changes in net assets for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
February 5, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND STATEMENT 1

STATEMENT OF NET ASSETS

AS AT DECEMBER 31

	2000	1999
ASSETS		
Investments (Note 3)	$2,078,532	$1,913,573
Total assets	$2,078,532	$1,913,573
NET ASSETS (Statement 2)	$2,078,532	$1,913,573

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND
STATEMENT OF CHANGES IN NET ASSETS

STATEMENT 2

YEAR ENDED DECEMBER 31

	2000		1999
	Budget (Note 4)	**Actual**	**Actual**
INCREASE IN ASSETS			
Contributions	$1,050,000	$1,100,307	$ 982,469
Interest	94,500	102,602	86,390
Total increase in assets	1,144,500	1,202,909	1,068,859
DECREASE IN ASSETS			
Redemptions	800,000	935,348	630,378
Interest (Note 3)	91,500	99,602	83,726
Service fees	3,000	3,000	2,664
Total decrease in assets	894,500	1,037,950	716,768
Increase in net assets	250,000	164,959	352,091
NET ASSETS, BEGINNING OF YEAR (Note 3)	1,913,573	1,913,573	1,561,482
NET ASSETS, END OF YEAR (Statement 1)	$2,163,573	$2,078,532	$1,913,573

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Description of Fund

The Public Employees Deferred Salary Leave Plan (Plan) was established on April 4, 1989 and continues under subsection 64(2) of *The Financial Administration Act, 1993.* The Public Employees Deferred Salary Leave Fund is used to account for the transactions of the Plan.

The Plan is managed by the Public Employees Benefits Agency (PEBA). The Plan allows participating employees to defer a portion of their salary for a period of twelve to seventy-two months. The deferred salary must then be used in financing a leave of absence for any reason for durations of six to twelve months, subject to the approval of the employer and the terms and conditions of the Plan.

Plan participants are employees of the Public Service of Saskatchewan, as defined by *The Public Service Act* and certain Saskatchewan Crown agencies, whose participation in the Plan has been approved by the Lieutenant Governor in Council. This includes: the Public Service of Saskatchewan as defined by *The Public Service Act*, Judges of the Provincial Court, Saskatchewan Legal Aid Commission, Saskatchewan Power Corporation, Saskatchewan Property Management Corporation, Saskatchewan Telecommunications Holding Corporation and Saskatchewan Water Corporation, and certain district health boards.

The Plan is a prescribed plan pursuant to regulation 6801 of the *Income Tax Act*. The Plan is administered under the terms of an agreement with Royal Trust Corporation of Canada (Royal Trust).

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

3. Investments

The portion of salary deferred is held in GIC deposit accounts maintained for each participating employee. Interest is allocated to individual member accounts based on the weighted average of the interest rates the bank pays for GIC deposits which is 5.32% for 2000 (5.09% in 1999). Each plan participant is also charged a service fee. On December 31, interest for the year is paid to each participating employee.

Fair value approximates the market value of investments.

4. Budget

The Public Employees Benefits Agency prepares and approves the budget.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the School Division Tax Loss Compensation Fund as at March 31, 2001 and the statement of revenue, expenditure and fund balance for the year then ended. The School Division Tax Loss Compensation Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the School Division Tax Loss Compensation Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
August 29, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

School Division Tax Loss Compensation Fund
Balance Sheet
as at March 31

	2001	Restated 2000 (Note 6)
ASSETS		
Due from General Revenue Fund (Note 4)	$ 3,095,511	$ 2,874,552
Accounts Receivable	210,114	853,856
	$ 3,305,625	$ 3,728,408
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	$ 447,528	$ 1,287,292
Fund balance (Statement 2)	2,858,097	2,441,116
	$ 3,305,625	$ 3,728,408

(See accompanying notes to the financial statements)

Statement 2

School Division Tax Loss Compensation Fund
Statement of Revenue, Expenditure and Fund Balance
For the Year Ended March 31

	2001	Restated 2000 (Note 6)
REVENUE:		
Contributions	$ 1,041,264	$ 2,418,941
Investment Interest	156,665	108,139
Total Revenue	1,197,929	2,527,080
EXPENDITURE:		
Compensation to school divisions	780,948	1,814,206
Excess of Revenue over Expenditure	416,981	712,874
Fund balance, beginning of year	2,441,116	1,728,242
Fund balance, end of year (Statement 1)	$ 2,858,097	$ 2,441,116

(See accompanying notes to the financial statements)

SCHOOL DIVISION TAX LOSS COMPENSATION FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Purpose and Creation of the Fund

The School Division Tax Loss Compensation Fund (Fund) was created by an amendment to *The Education Act* through *The Treaty Land Entitlement Implementation Act*. The amendment came into force on June 22, 1993. On December 14, 1994, by Order in Council #840/94, the Lieutenant Governor in Council established regulations to administer the Fund.

The Fund is administered by the Department of Education on behalf of school boards. The purpose of the Fund is to provide tax loss compensation to school divisions that lose tax revenue as a result of lands within that school division being set apart as an Indian reserve. The Fund receives money from the provincial (Intergovernmental and Aboriginal Affairs) and federal (Indian Affairs and Northern Development Canada) governments as part of the Treaty Land Entitlement Framework Agreement. Payments are made to affected school divisions according to the formula stated in the regulations.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant:

a) Accrual basis

The financial statements are prepared on the accrual basis of accounting.

3. Related Party Transactions

The fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Education. Included in revenue is $312,379 (2000 - $725,682) from Intergovernmental and Aboriginal Affairs, of which $96,889 (2000 - $257,810) was receivable at March 31, 2001.

4. Due From General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. Under this arrangement, interest is calculated on the net position of the School Tax Loss Compensation Fund.

The Fund's share of this interest is allocated to it by the General Revenue Fund on a quarterly basis using the Government's thirty day borrowing rate.

5. Compensation to School Divisions

The following lists the organizations that have or will receive money from the Fund for the year ended March 31, 2001.

Organization	Amount	
	2001	Restated 2000 (Note 6)
Battle River School Division #60	$ 69,436	$ 48,991
Battlefords School Division #118	182,465	263,327
Biggar School Division #50	25,208	57,857
Broadview School Division #18	54,901	69,679
Buffalo Plains School Division #21	9,988	0
Crystal Lakes School Division #120	0	24,923
Cupar School Division #28	36,242	12,180
Deer Park School Division #26	44,733	51,225
Eastend School Division #8	0	5,048
Kamsack School Division #35	0	17,126
Landswest School Division #123	16,579	18,668
Maple Creek School Division #17	0	34,630
Meadow Lake School Division #66	58,062	4,137
Northern Lakes School Division #64	78,917	254,414
Paynton School Division #102	0	100,744
Potashville School Division #80	48,148	148,081
Prairie View School Division #74	0	260,236
Regina(East) School Division #77	0	27,527
Saskatchewan Rivers School Division #119	0	50,972
Saskatchewan Valley School Division #49	37,173	121,998
Saskatoon(West) School Division #42	2,956	0
Scenic Valley School Division #117	6,174	107,746
Shamrock School Division #38	0	24,011
Turtleford School Division #65	69,501	0
Wadena School Division #46	0	19,076
Wakaw School Division #48	20,447	91,610
Yorkdale School Division #36	20,018	0
Total	$ 780,948	$ 1,814,206

6. Restatement of Prior Years Results

The comparative figures for the 2000 year have been restated to record accounts receivables and payables that were previously recorded in another fiscal year. These receivables and payables resulted from additional land within school divisions being set apart as Indian reserves. The effect of the restatement is as follows:

	2001	2000
Increase in accounts receivable		$ 691,851
Increase in accounts payable		518,888
(Decrease) in contributions		(90,599)
(Decrease) in compensation to school divisions		(67,949)
Increase in fund balance, beginning of year	$ 172,963	195,613

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for beneficiaries of the Social Services Central Trust Account as at March 31, 2001 and the statement of changes in net assets available for beneficiaries for the year then ended. The Trust Account's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for beneficiaries of the Social Services Central Trust Account as at March 31, 2001 and the changes in its net assets available for beneficiaries for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 27, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

SOCIAL SERVICES CENTRAL TRUST ACCOUNT
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFICIARIES
As at March 31

	Armour Trust	Balison Trust	Total 2001	Total 2000
ASSETS				
Due from General Revenue Fund (Note 3)	$ 18,090	$ 127,900	$ 145,990	$ 188,067
Accrued interest	254	1,796	2,050	2,351
Accounts receivable	—	13,932	13,932	—
	$ 18,344	$ 143,628	$ 161,972	$ 190,418
LIABILITIES	—	—	—	—
Net assets available for beneficiaries (Statement 2)	$ 18,344	$ 143,628	$ 161,972	$ 190,418

(See accompanying notes to the financial statements)

Statement 2

SOCIAL SERVICES CENTRAL TRUST ACCOUNT
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFICIARIES
Year Ended March 31

	Armour Trust	Balison Trust	Total 2001	Total 2000
Increase in assets				
- Interest	$ 1,137	$ 8,613	$ 9,750	$ 8,996
- Estate distributions	2,250	—	2,250	—
Decrease in assets				
- to or on behalf of children	—	(40,446)	(40,446)	(3,723)
Net increase (decrease) in assets	3,387	(31,833)	(28,446)	5,273
Net assets available for beneficiaries, beginning of year	14,957	175,461	190,418	185,145
Net assets available for beneficiaries, end of year (to Statement 1)	$ 18,344	$ 143,628	$ 161,972	$ 190,418

(See accompanying notes to the financial statements)

SOCIAL SERVICES CENTRAL TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Purpose of Trust

The Social Services Central Trust Account was established under Section 13 of *The Department of Social Services Act.*

In accordance with Section 15 of *The Department of Social Services Act,* the Department administers funds received from the Armour and Balison Estates.

The Armour Trust has a 1/4 interest in the Armour Estate. Canada Trust is the executor and therefore administers the Armour Estate. The Armour Estate owns a ½ interest in real estate situated between the Regina city limits and the IPSCO steel mill. The land is presently rented for farming purposes. The Armour Trust receives its share of farm land rent from the Armour Estate. The trust funds are held on behalf of Dales House, an institution operated by the Department of Social Services.

At March 31, 2001 the Armour Trust's share of the fair market value of assets in the Armour Estate consisted of cash and short-term notes $44,432 (2000 - $45,628), and real estate $18,100 (2000 - $18,100).

The Balison Trust consists of income from and sales proceeds of property held by the Balison Estate. Canada Trust was the executor and therefore administered the Balison Estate. The trust funds are held on behalf of the Saskatchewan Youth in Care Network.

The assets in the Balison Estate have all been distributed to beneficiaries.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Estate distributions to the trusts are recorded as an increase in Net assets available for beneficiaries in the period they are distributed.

3. Due From General Revenue Fund

The trust funds are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Interest earned is calculated and paid by the General Revenue Fund on a quarterly basis into the Trust's bank account using the Government's 30 day borrowing rate and the Trust's average daily bank account balance. The Government's average thirty day borrowing rate for the year is 5.59% (2000 - 4.79%).

4. Related Party Transactions

In accordance with established government practice, the Trust Account has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs, together with certain general administrative and employee benefit costs, are absorbed by the Department of Social Services' appropriation.

5. Financial Instruments

Financial instruments consist of amounts due from general revenue fund, accrued interest and accounts receivable. There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows. The fair value of these instruments approximates carrying value due to their immediate or short-term maturity.

PART

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Financial Statements Compendium
2000-01

Part B

MULTIS E GENTIBUS VIRES

Saskatchewan

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GUIDE TO THE COMPENDIUM

This Compendium is comprised of the financial statements of various government boards, agencies, commissions, superannuation funds, special purpose funds and institutions as well as those Crown corporations which are accountable to the Treasury Board.

The financial statements are for fiscal periods ending within the Government's fiscal year April 1, 2000 to March 31, 2001.

While many of these entities are required to table their financial statements in the Legislative Assembly as separate reports, this Compendium serves to provide ease of public access to their financial statements.

Financial statements for Crown corporations that are accountable to the Crown Investments Corporation appear in a separate compendium of annual reports compiled by the Crown Investments Corporation.

The Compendium consists of two parts:

Part A - Educational Institutions
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Each Part includes a complete table of contents for the whole Compendium, as well as a complete alphabetical listing, with page number reference, in an index.

Internet Address

The Compendium of Financial Statements is on the Internet at http://www.gov.sk.ca/finance

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Financial Statements not available at time of printing:
Public Trustee for Saskatchewan

KPMG LLP
Chartered Accountants

AUDITORS' REPORT

To: Members of the Legislative Assembly
Province of Saskatchewan

We have audited the statement of financial position of the Associated Entities Fund as at March 31, 2001 and the statements of operations and net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Associated Entities Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada
May 11, 2001

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

Associated Entities Fund

Statement of Financial Position

March 31, 2001 with comparative figures for 2000

	2001	2000
Assets		
Current assets:		
Cash	$ 12,824,877	$ 11,046,709
Receivable from General Revenue Fund	4,500,000	499,247
	$ 17,324,877	$ 11,545,956
Liabilities and Net Assets		
Current liabilities:		
Due to Metis Society of Saskatchewan Inc.	$ 500,000	124,812
Grants payable	5,486,727	34,039
	5,986,727	158,851
Net assets (note 3)	11,338,150	11,387,105
	$ 17,324,877	$ 11,545,956

See accompanying notes to financial statements.

On behalf of the Board of Trustees:

Lance Brown Chairman

Trustee

Associated Entities Fund

Statement of Operations and Net Assets

Year ended March 31, 2001 with comparative figures for 2000

	2001	2000
Revenue:		
Interest	$ 642,016	$ 306,051
Proceeds from General Revenue Fund	9,637,500	8,020,747
	10,279,516	8,326,798
Expenses:		
Administration contract	100,000	100,000
Grants	8,228,471	2,153,856
Transferred to Metis Society of Saskatchewan Inc.	2,000,000	2,005,187
	10,328,471	4,259,043
Excess (deficiency) of revenue over expenses	(48,955)	4,067,755
Net assets, beginning of year	11,387,105	7,319,350
Net assets, end of year	$ 11,338,150	$ 11,387,105

Statement of Cash Flows

Year ended March 31, 2001 with comparative figures for 2000

	2001	2000
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ (48,955)	$ 4,067,755
Net change in non-cash working capital items:		
Receivable from General Revenue Fund	(4,000,753)	(386,747)
Due to Metis Society of Saskatchewan Inc.	375,188	96,687
Grants payable	5,452,688	30,274
Increase in cash during the year	1,778,168	3,807,969
Cash, beginning of year	11,046,709	7,238,740
Cash, end of year	$ 12,824,877	$ 11,046,709

See accompanying notes to financial statements.

Associated Entities Fund

Notes to Financial Statements
March 31, 2001

1. **Nature of operations:**

The Associated Entities Fund (the "Fund") was established on August 23, 1996 by The Saskatchewan Gaming Corporation Act (Chapter S18.2 of the Statutes of Saskatchewan - Part IV). It is managed by a Board of Trustees consisting of six people appointed by the Lieutenant Governor in Council. The Board of Trustees is responsible for managing and operating the Fund.

Pursuant to the Saskatchewan Gaming Corporation Act, and other agreements, the Government of Saskatchewan receives, into the General Revenue Fund, certain gaming revenues. The Minister of Finance transfers a portion of these gaming revenues to the Fund. As directed by the Department of Culture, Youth and Recreation the Trustees of the Fund have transfered $2,000,000 (2000 - $2,005,187) of these revenues to the Metis Society of Saskatchewan Inc. The remaining funds must be granted to charities and exhibition associations in Saskatchewan, or any person, organization or association in Saskatchewan prescribed by the Lieutenant Governor in Council upon application to the Board of Trustees.

The Fund has an agreement with Sask Sport Inc. to provide administrative services to the Fund. For this Sask Sport will be paid 5% of the revenue from the fund up to a maximum of $100,000.

2. **Significant accounting policies:**

Grants:

Grants are recognized when a completed grant application is received from an eligible organization and approved by the Board of Trustees.

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Associated Entities Fund

Notes to Financial Statements
March 31, 2001

3. **Designated assets:**

Pursuant to directions given under the governing legislation, the Trustees of the Fund have designated assets as follows: for Regional Intersectoral Committees to fund programs for vulnerable children, youth and families at the community level; to fund building or upgrading of community cultural facilities; for initiatives to deal with problem gambling; and to fund regional exhibition associations. These designated assets are not available for other purposes without the approval of the Trustees. Changes, during the current year, to these designated assets were as follows:

	Regional Intersectoral Committees	Community Cultural Facilities	Problem Gambling Initiatives	Regional Exhibition Associations	2001 Total	2000 Total
Beginning of year	$1,040,546	$4,900,000	$ -	$ -	$5,940,546	$5,668,927
Allocations	2,000,000	500,000	500,000	485,000	3,485,000	2,425,475
Grants approved	(2,044,848)	(5,398,766)	-	(484,857)	(7,928,471)	(2,153,856)
End of year	$ 995,698	$ 1,234	$ 500,000	$ 143	$1,497,075	$5,940,546

KPMG LLP
Chartered Accountants

AUDITORS' REPORT TO THE TRUST BENEFICIARIES

We have audited the balance sheet of First Nations Trust Fund as at March 31, 2001 and the statements of revenue and expenditures and unrestricted surplus and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Saskatoon, Canada
June 22, 2001

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

FIRST NATIONS TRUST FUND

Balance Sheet

March 31, 2001, with comparative figures for 2000

	2001	2000
Assets		
Cash	$ 15,489	$ 201,076
Gaming revenue receivable	-	4,300,000
	$ 15,489	$ 4,501,076
Liabilities and Trust Balances		
Current liabilities:		
Payable to First Nations	$ 15,489	$ 4,222,739
Payable to FSIN:		
Veterans	-	17,250
First Nations Addictions Rehabilitation Foundation	-	236,087
Trust administration	-	25,000
	15,489	4,501,076
Trust balances:		
Unrestricted surplus	-	-
Commitment (note 2(c))		
Contingencies (note 3)		
	$ 15,489	$ 4,501,076

See accompanying notes to financial statements.

On behalf of the Trustees:

Perry Bellegarde Trustee

Trustee

FIRST NATIONS TRUST FUND

Statement of Revenue and Expenditures and Unrestricted Surplus

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Revenue:		
Gaming revenue	$ 11,049,215	$ 11,794,870
Interest	10,141	22,282
	11,059,356	11,817,152
Expenditures:		
FSIN:		
First Nations Addictions Rehabilitation Foundation	944,350	944,350
Justice Secretariat (note 2(a))	298,000	-
Trust administration	100,000	100,000
Veterans	71,250	69,750
	1,413,600	1,114,100
Excess of revenue over expenditures before the following	9,645,756	10,703,052
Payments to First Nations	9,401,756	10,703,052
National assembly travel subsidy (note 2(b))	144,000	-
White Bear gaming agreement development costs (note 2(c))	100,000	-
	9,645,756	10,703,052
Excess of revenue over expenditures	-	-
Unrestricted surplus, beginning of year	-	-
Unrestricted surplus, end of year	$ -	$ -

See accompanying notes to financial statements.

FIRST NATIONS TRUST FUND

Statement of Cash Flows

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Cash flows from (used in):		
Operations:		
Change in non-cash operating working capital:		
Gaming revenue receivable	$ 4,300,000	$ (3,287,500)
Payable to First Nations	(4,207,250)	3,388,456
Payable to FSIN:		
Veterans	(17,250)	17,250
First Nations Addictions Rehabilitation Foundation	(236,087)	45,001
Trust administration	(25,000)	-
	(185,587)	163,207
Increase (decrease) in cash	(185,587)	163,207
Cash, beginning of year	201,076	37,869
Cash, end of year	$ 15,489	$ 201,076

See accompanying notes to financial statements.

FIRST NATIONS TRUST FUND

Notes to Financial Statements

Year ended March 31, 2001

General Information:

The First Nations Trust Fund (the "Fund") was established to administer and disburse funds earned through gaming activities. Pursuant to the 1994 Casino Gaming Agreement between Federation of Saskatchewan Indians, Inc. ("FSIN") and the Province of Saskatchewan (the "Province") and Section 17 of the Saskatchewan Gaming Corporation Act, the Fund is to receive 25% of the net profits of the Regina Casino. Pursuant to the 1995 Agreement between FSIN and the Province (the "1995 Agreement"), the FSIN Gaming Act and the Trust Indenture between FSIN and the Trustees of the Fund (the "FSIN Trust Indenture"), the Fund is to receive a percentage of the net profits generated by casinos operated by Saskatchewan Indian Gaming Authority, Inc. ("SIGA") as follows:

For casinos located on reserves, 50% of net profits; and

For casinos not located on reserves, 50% of net profits.

At any time when the cumulative total of the net profits from the SIGA casinos distributed to the Fund exceeds the cumulative total amount paid to the Fund from the profits of the Regina casino, the Fund shall only be entitled to 37.5% of the excess net profits from the SIGA casinos (the "Flip clause"). This arrangement shall remain in place until such time as the total net profits paid into the Fund from Casino Regina again exceeds the net profits paid into the Fund by the SIGA casinos.

The Fund is administered by a Board of Trustees. The FSIN, in accordance with the First Nations Gaming Act, provides a list of recommended trustees to the Government of Saskatchewan. The Government of Saskatchewan uses that list to appoint trustees to the Fund in accordance with the Saskatchewan Gaming Corporation Act.

The 1995 Gaming Agreement provides for the establishment of First Nations Addictions Rehabilitation foundation ("FNARF") for the purpose of providing gaming addictions rehabilitation and prevention services for First Nations people. The operations of FNARF are to be funded from gaming revenues distributed by the Province to the Fund.

FIRST NATIONS TRUST FUND

Notes to Financial Statements (continued)

Year ended March 31, 2001

General Information (continued):

The Saskatchewan Gaming Corporation Act advise that the Trustees may make payments from the Fund for the following purposes related to First Nations and Tribal Councils in Saskatchewan:

- economic development
- social development
- justice initiatives
- educational development
- recreational facilities operation and development
- senior and youth programs
- cultural development
- community infrastructure development and maintenance
- health initiatives, and
- any other community development and/or project.

The Trustees shall make payments from the Fund on a fair and equitable basis in accordance with guidelines approved by the FSIN Chiefs-in-Assembly. The Trustees may also disburse funds identified for charitable purposes to First Nations charities.

1. **Significant accounting policies:**

(a) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the reporting period. Actual results could differ from these estimates.

FIRST NATIONS TRUST FUND

Notes to Financial Statements (continued)

Year ended March 31, 2001

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1. **Significant accounting policies (continued):**

(b) Gaming revenues:

Gaming revenues are recorded when receivable from the Province's General Revenue Fund. Distributions of gaming revenue are made to the Fund in quarterly installments based on estimates of net profits at the SIGA casinos and the Regina Casino. Upon completion of the fiscal years of the SIGA casinos and Regina Casino, a final distribution is made to the Fund by the Province's General Revenue Fund. The amount of this final distribution is recorded as gaming revenue upon determination and allocation by the Province.

During 2000, Saskatchewan Liquor and Gaming Authority determined that certain past expenditures of SIGA were not considered reasonable. The Province's share of these expenditures not considered reasonable is to be recovered from the Fund pursuant to the agreements between FSIN and the Province. Commencing with the fourth quarter of the year ending March 31, 2001, $169,908 per quarter for eight consecutive quarters for a total of $1,359,264 will be withheld by the Province from distributions made to the Fund.

(c) Payments to First Nations:

Payments to First Nations are made based on guidelines approved by the FSIN Chiefs-in-Assembly.

2. **Approved resolutions:**

During the year, the FSIN Chiefs-in-Assembly approved the following resolutions and so directed the trustees of the Fund:

(a) Funding contribution to the FSIN Justice Secretariat in the amount of $298,000 for investigations and inquiry into the Saskatchewan Justice System. This funding was made as a justice initiative in order that an investigation could be conducted by the FSIN into how Saskatchewan First Nations people have been treated by police and other agencies.

(b) Allocation of $2,000 per First Nation to assist with travel and related costs to attend the Assembly of First Nations ("AFN") annual general meeting. The Chiefs in the region were assisted with their travel cost to ensure they provided direction to the AFN by resolution which would guide policy development and implementation in the areas of social, economic and educational development and health initiatives throughout Canada and specifically Saskatchewan.

FIRST NATIONS TRUST FUND

Notes to Financial Statements (continued)

Year ended March 31, 2001

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2. **Approved resolutions (continued):**

(c) Compensation to the White Bear First Nation for the historical gaming costs related to planning and development of the Bear Claw Casino in the amount of $300,000 to be paid over a period of three years commencing in the 2001 fiscal year. These funds were paid as the Whitebear First Nation was the initial First Nation that undertook gaming activities and their related costs as a form of economic development. The FSIN believes these actions initially benefited the White Bear First Nation and ultimately resulted in the FSIN Saskatchewan gaming agreements that now benefit all First Nations in the region. The remaining commitment of $200,000 will be paid from gaming revenues received by the Fund in future years.

3. **Contingencies:**

(a) Agreement with the Province of Saskatchewan:

The 1995 Agreement between FSIN and the Province expired on March 31, 2001. Pursuant to this Agreement, the Fund is to receive a percentage of net profits generated by casinos operated by SIGA and a percentage of net profits generated by the Regina Casino. The 1995 Agreement has been extended until July 31, 2001 with provision that this Agreement may continue to be extended on a ninety-day basis until a new agreement between the parties is completed. Should the Agreement not be extended or completed, the impact on gaming revenue received by the Fund and the Fund's ongoing operations could be material.

(b) Flip Clause:

The Flip Clause in the 1995 Agreement and the amendment to the 1995 Agreement, effective April 1, 1998, provide for distribution to the Fund of net profits generated by casinos operated by SIGA and the Regina Casino. Disagreement exists between the FSIN and the Province regarding interpretation and calculations pursuant to the 1995 Agreement and the amendment to the 1995 Agreement as they relate to distribution of gaming revenue to the Fund. Any increase in distribution to the Fund related to the above disagreement will be accounted for in the period of resolution of the disagreement and receipt of amounts by the Fund.

4. **Related party transactions:**

Related parties to the Fund include FSIN and First Nations in the Saskatchewan region and the Province of Saskatchewan. FSIN provides administrative services to the Fund at an amount agreed between the parties. Occasionally cheques are distributed to Tribal Councils on behalf of their member First Nation. Expenditures and distributions to related parties are disclosed in the statements of revenue and expenditures and unrestricted surplus.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Fish and Wildlife Development Fund as at March 31, 2001 and the statements of operations, changes in net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 28, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
ASSETS		
Current:		
Due from General Revenue Fund (Notes 3 and 8)	$ 4,302,576	$ 3,732,798
Accounts receivable (Notes 4 and 8)	96,895	92,652
	4,399,471	3,825,450
Capital assets (Note 5)	15,400,722	14,383,954
	$ 19,800,193	$ 18,209,404
LIABILITIES AND NET ASSETS		
Accounts payable (Note 8)	$ 100,308	$ 110,953
Net Assets:		
Net assets invested in capital assets	15,400,722	14,383,954
Internally restricted net assets (Note 6)	2,000,000	2,000,000
Unrestricted net assets	2,299,163	1,714,497
	19,699,885	18,098,451
	$ 19,800,193	$ 18,209,404

Commitments (Note 7)

(See accompanying notes to the financial statements)

Statement 2

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2001		2000
	Budget (Note 9)	Actual	Actual
Revenues:			
General Revenue Fund transfer (Note 4)	$ 3,060,000	$ 3,340,645	$ 2,895,266
Interest	200,000	209,834	168,062
Field permits and leases	157,000	167,394	151,205
Other revenue	10,000	42,618	26,647
	3,427,000	3,760,491	3,241,180
Expenses:			
Wildlife habitat projects (Schedule 1)	1,090,000	1,024,991	1,028,006
Fish enhancement projects (Schedule 1)	1,433,000	963,603	845,466
Grants-in-lieu of taxes (Note 6)	210,000	213,763	202,041
	2,733,000	2,202,357	2,075,513
Excess of revenues over expenses	$ 694,000	$ 1,558,134	$ 1,165,667

(See accompanying notes to the financial statements)

Statement 3

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	2001				2000
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
Net Assets:					
Balance, beginning of year	$ 14,383,954	$ 2,000,000	$ 1,714,497	$ 18,098,451	$ 16,932,784
Excess of revenues over expenses	(20,674)	---	1,578,808	1,558,134	1,165,667
Donated land	43,300	---	---	43,300	---
Net investment in capital assets	994,142	---	(994,142)	---	---
Balance, end of year	$ 15,400,722	$ 2,000,000	$ 2,299,163	$ 19,699,885	$ 18,098,451

(See accompanying notes to the financial statements)

Statement 4

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash received from General Revenue Fund transfer	$ 3,339,999	$ 2,856,438
Cash received from field permits and leases	209,864	173,245
Interest received	209,834	168,062
Cash paid to grant recipients	(119,000)	(60,000)
Cash paid to municipalities	(213,763)	(202,041)
Cash paid to suppliers and employees	(1,859,563)	(1,979,752)
	1,567,371	955,952
Cash flows from investing activities:		
Purchase of capital assets	(997,593)	(944,661)
Decrease in short-term deposits	---	2,173,448
	(997,593)	1,228,787
Net increase in cash	569,778	2,184,739
Due from General Revenue Fund, beginning of year	3,732,798	1,548,059
Due from General Revenue Fund, end of year	$ 4,302,576	$ 3,732,798

(See accompanying notes to the financial statements)

FISH AND WILDLIFE DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Purpose of the Fund

The Fish and Wildlife Development Fund (Fund) operates under the authority of Section 20 of *The Natural Resources Act*. The Fund was established for the purposes of preventing the reduction of wildlife habitat and wildlife population in the agricultural area of the province and for fish enhancement projects intended to prevent the loss of fish or fish habitat.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. The following is a summary of the significant accounting policies:

a) Capital assets

Purchased capital assets are recorded at cost. Amortization is provided on a straight-line basis over the asset's estimated useful life. Annual rates for equipment are from 5% to 33%.

Donated land is recorded at fair value at the date of contribution as a direct increase in net assets.

Land jointly owned is recorded at cost at the date title is transferred to both parties.

b) Grant expenses

Grant expenses are recognized when grants are approved and the recipient has met eligibility criteria.

3. Due From General Revenue Fund

The Fund's money is on deposit with the General Revenue Fund (GRF) and in a bank account included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Fund's earned interest is calculated and paid by the GRF on a quarterly basis to the Fund using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for 2000/01 is 5.59% (1999/00 - 4.78%).

4. Revenue - General Revenue Fund

The annual transfer from the General Revenue Fund has been set by Order in Council 526/95 as an amount equivalent to 30% of certain hunting and fishing licence fees collected by the Department of Environment and Resource Management. A receivable is recorded for the portion of the revenue not received before the year-end that relates to the annual licence fees. Included in the accounts receivable at March 31, 2001 is $87,475 (2000 - $86,828) receivable from the General Revenue Fund.

5. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$13,809,972	$ ---	$13,809,972	$13,298,635
Land - joint ownership	1,529,674	---	1,529,674	1,027,326
Equipment	471,232	410,156	61,076	57,993
	$15,810,878	$ 410,156	$15,400,722	$14,383,954

6. Internally Restricted Net Assets - Municipal Habitat Conservation

Internally restricted net assets were established to compensate rural municipalities for taxes forgone on lands acquired by the Fund for wildlife habitat conservation purposes. The interest earned on this amount is reported in the unrestricted fund and is used to assist in paying rural municipalities grants-in-lieu of taxes on Fund lands located within their boundaries.

7. Commitments

The Fund has wildlife habitat and fish enhancement project commitments at year-end of $512,000 (2000 - $721,750).

8. Financial Instruments

The Fund's financial instruments include due from General Revenue Fund, accounts receivable, and accounts payable. The fair value of these instruments approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

The Fund is exposed to credit risk from the potential default of customers. However, the majority of the Fund's receivables are from other government agencies and reputable long-term corporate clients, therefore, the credit risk is minimal.

9. Budget

The Budget for the Fund is included with the Department of Environment and Resource Management's budget submission to Treasury Board. Treasury Board approves the Fund's budget annually.

10. Related Party Transactions

These financial statements include transactions with related parties. The fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards, and commissions under the common control of the Government of Saskatchewan. Also, the fund is related to non-crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at rates charged by those organizations and are settled on normal trade terms. The following table summarizes the routine related party transactions for the year:

Category	2001	2000
Expenses	$ 306,745	$ 342,119
Accounts payable	17,905	43,867
Interest revenue	187,217	123,857

Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

The Fund pays Provincial Sales tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established government practice, the Fund has not been charged with certain occupancy, financing, administrative and certain other costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

Schedule 1

FISH AND WILDLIFE DEVELOPMENT FUND
SCHEDULE OF EXPENSES
For the Year Ended March 31

	Wildlife Habitat Projects	Fish Enhancement Projects	Total 2001	Total 2000
Salaries	$ 476,087	$ 579,541	$ 1,055,628	$ 1,036,730
Contractual services	264,291	112,729	377,020	384,288
Supplies and materials	53,309	99,038	152,347	140,872
Grants	119,000	---	119,000	60,000
Central Vehicle Agency	71,883	51,637	123,520	94,146
Travel expenses	34,132	22,895	57,027	49,500
Utilities	---	56,677	56,677	55,223
Amortization	2,088	18,586	20,674	20,775
Telephone	934	844	1,778	22,255
Communications	2,317	21,656	23,973	8,670
Habitat leases	950	---	950	1,013
	$ 1,024,991	$ 963,603	$ 1,988,594	$ 1,873,472

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Law Reform Commission of Saskatchewan as at March 31, 2001, and the statements of operations and changes in net assets and cash flows for the year then ended. The Commission's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 10, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
ASSETS		
Current		
Cash	$ 5,153	$ 38,040
Prepaid Expense	550	143
Capital assets (Note 3)	448	1,120
Total Assets	$ 6,151	$ 39,303
NET ASSETS		
Net assets invested in capital assets	$ 448	1,120
Unrestricted net assets	5,703	38,183
Total net assets (Statement 2)	$ 6,151	$ 39,303

(See accompanying notes to the financial statements)

Statement 2

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
Year Ended March 31

	2001	2000
Revenues		
General Revenue Fund appropriation	$ 55,000	$ 55,000
Law Foundation grants	—	13,750
Interest	162	594
	55,162	69,344
Expenses		
Salaries and employee benefits	72,699	72,604
Commissioners' honoraria and expenses	6,082	14,657
Rent	6,600	6,600
Office supplies and services	663	1,029
Printing	1,345	1,044
Miscellaneous	253	120
Amortization expense	672	672
	88,314	96,726
Excess of revenues over expenses	(33,152)	(27,382)
Net asset balance, beginning of year	39,303	66,685
Net asset balance, end of year (to Statement 1)	$ 6,151	$ 39,303

(See accompanying notes to the financial statements)

Statement 3

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF CASH FLOWS
Year Ended March 31

	2001	2000
Cash flows from operating activities		
General Revenue Fund appropriation	$ 55,000	$ 55,000
Law Foundation grants	—	13,750
Reimbursement of expenses	—	1,420
Interest received	162	594
Payment of prepaid expenses	(550)	—
Cash paid to suppliers and employees	(87,499)	(96,055)
Net (decrease) in cash	(32,887)	(25,291)
Cash, beginning of year	38,040	63,331
Cash, end of year	$ 5,153	$ 38,040

(See accompanying notes to the financial statements)

LAW REFORM COMMISSION OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Incorporation

The Law Reform Commission Act was amended effective November 6, 1987. At that date the Commission became a body corporate and continued the operations of the Law Reform Commission of Saskatchewan.

The purpose of the Commission is to review all the laws of the Province with a view to its systematic development and reform and generally the simplification and modernization of the law.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Revenue Recognition
The Commission recognizes revenue when received or receivable.

Capital Assets
Capital assets are recorded at cost. The capital assets are reduced annually for the consumed cost of the asset calculated upon the straight-line method. Currently, capital assets include computers, which have a useful life of three years.

3. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2001	Net Book Value 2000
Office equipment	$ 21,144	$ 21,143	$ 1	$ 1
Computer	2,015	1,568	447	1,119
	$ 23,159	$ 22,711	$ 448	$ 1,120

4. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Law Reform Commission of Saskatchewan by virtue of common control or significant influence by the Government of Saskatchewan.

The following table summarizes the Commission's related party transactions that are in the normal course of operations. These transactions are recorded at the standard rates charged by these parties and are settled at normal trade terms.

	2001	2000
Operating revenues - Grant from Department of Justice	$ 55,000	$ 55,000
Operating expenditures		
University of Saskatchewan - rent, other services	6,798	8,357

In addition, the Commission pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as a part of the cost of those purchases.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2000 and the statement of operations and net assets for the year then ended. The Board is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
January 8, 2001

Fred Wendel, CMA,CA
Acting Provincial Auditor

Statement 1

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
STATEMENT OF FINANCIAL POSITION
As at December 31

	2000	1999
ASSETS		
Current assets:		
Cash	$ 22,599	$ 21,681
	$ 22,599	$ 21,681
NET ASSETS		
Net assets - (Statement 2)	$ 22,599	$ 21,681
	$ 22,599	$ 21,681

(See accompanying notes to the financial statements)

Statement 2

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
STATEMENT OF OPERATIONS AND NET ASSETS
For the Year Ended December 31

			2000	1999
Revenues:				
Municipal taxes received from rural municipalities (Note 5)			$ 6,226,741	$ 6,326,121
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon/Lanigan	$ 3,276,750	$ 364,083	3,640,833	3,676,692
Esterhazy	1,899,647	211,072	2,110,719	2,222,897
Pense	416,463	46,274	462,737	413,880
	$ 5,592,860	$ 621,429	6,214,289	6,313,469
Revenue held for general administration (Note 4)			12,452	12,652
Expenses:				
Office facilities – Saskatchewan Association of Rural Municipalities			6,000	6,000
Secretary/Treasurer honorarium			3,950	3,950
Board members' allowances:				
Per diem			700	700
Mileage			594	528
Sustenance			140	120
Insurance			150	150
			11,534	11,448
Surplus for the year			918	1,204
Net assets, beginning of year			21,681	20,477
Net assets, end of year - to Statement 1			$ 22,599	$ 21,681

(See accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

1. Authority

The Municipal Potash Tax Sharing Administration Board was established under Section 3 of *The Municipal Tax Sharing (Potash) Act.* Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers a tax sharing program. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the general administration of the Board. During the year, the Board withheld 0.2% of taxes received totalling $12,452.

5. Municipal Taxes Received From Rural Municipalities

Municipality	RM#	Budget 2000	Actual 2000	Actual 1999
Rocanville	151	$ 724,824	$ 683,403	$ 724,824
Spy Hill	152	859,040	826,501	859,040
Pense	160	464,094	463,664	414,709
Langenburg	181	605,045	605,045	643,487
Usborne	310	1,021,070	1,027,016	1,021,071
Colonsay	342	640,768	636,966	640,768
Blucher	343	685,999	644,076	683,346
Corman Park	344	567,095	567,095	563,179
Vanscoy	345	776,052	772,975	775,697
		$ 6,343,987	$ 6,226,741	$ 6,326,121

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Municipal Potash Tax Sharing Administration Board.

Schedule 1

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
SCHEDULE OF TAX SHARING DISTRIBUTIONS MADE TO MUNICIPALITIES
For the Year Ended December 31

		Budget 2000	Actual 2000	Actual 1999
Saskatoon/Lanigan Area				
Rural Municipalities				
# 279	Mount Hope	$ 557	$ 551	$ 526
280	Wreford	20,802	20,559	18,324
281	Wood Creek	2,566	2,536	2,583
283	Rosedale	1,273	1,258	1,285
309	Prairie Rose	57,212	56,544	57,640
310	Usborne	264,346	261,258	266,135
312	Morris	179,409	177,313	180,663
313	Lost River	119,880	118,480	120,697
314	Dundurn	107,197	105,945	108,192
315	Montrose	115,712	114,360	114,259
316	Harris	26,078	25,774	25,053
339	Leroy	37,741	37,300	38,004
340	Wolverine	260,706	257,661	239,882
341	Viscount	222,122	219,527	223,701
342	Colonsay	240,446	237,636	262,408
343	Blucher	432,682	427,861	435,503
344	Corman Park	502,979	497,104	491,849
345	Vanscoy	454,933	449,619	441,256
346	Perdue	97,296	96,160	98,140
371	Bayne	25,213	24,918	25,399
372	Grant	38,270	37,823	38,556
373	Aberdeen	90,761	89,700	101,790
376	Eagle Creek	17,063	16,863	17,178
		3,315,244	3,276,750	3,309,023
Saskatoon/Lanigan Area				
Urban Municipalities				
	Village of Aberdeen	6,443	6,368	6,431
	Town of Allan	38,167	37,724	38,095
	Town of Asquith	7,245	7,160	7,231
	Village of Bradwell	7,883	7,792	7,869
	Village of Clavet	18,431	18,217	18,396
	Town of Colonsay	23,270	23,000	23,226
	Town of Dalmeny	16,786	16,591	16,755
	Town of Delisle	45,670	45,139	45,584
	Village of Drake	3,357	3,318	3,351
	Village of Elstow	5,056	4,998	5,047
	Village of Guernsey	7,014	6,932	7,000
	Village of Kinley	421	416	421
	Town of Langham	14,299	14,133	14,272

Schedule 1 (Continued)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
SCHEDULE OF TAX SHARING DISTRIBUTIONS MADE TO MUNICIPALITIES
For the Year Ended December 31

	Budget 2000	Actual 2000	Actual 1999
Saskatoon/Lanigan Area			
Urban Municipalities			
Town of Lanigan	64,372	63,625	64,251
Village of Lockwood	326	322	326
Town of Martensville	17,153	16,954	17,121
Village of Meacham	1,074	1,061	1,072
Village of Perdue	5,478	5,414	5,467
Village of Plunkett	1,155	1,142	1,153
Village of Vanscoy	17,180	16,981	17,148
Village of Viscount	16,039	15,852	16,009
Town of Vonda	3,928	3,883	3,921
Town of Warman	21,489	21,240	21,449
Town of Watrous	19,437	19,211	19,400
Village of Young	4,349	4,299	4,341
Village of Zelma	2,338	2,311	2,333
	368,360	364,083	367,669
	3,683,604	3,640,833	3,676,692
Esterhazy Area			
Rural Municipalities			
# 121 Moosomin	62,343	60,237	63,325
122 Martin	17,366	16,779	17,627
151 Rocanville	376,836	364,103	383,596
152 Spy Hill	519,284	501,738	524,859
153 Willowdale	51,242	49,511	52,333
181 Langenburg	388,649	375,517	397,756
183 Fertile Belt	329,877	318,731	336,422
211 Churchbridge	137,454	132,809	140,182
213 Saltcoats	83,027	80,222	84,507
	1,966,078	1,899,647	2,000,607
Urban Municipalities			
Village of Atwater	465	449	473
Village of Bangor	757	732	771
Resort Village of Birds Point	598	578	608
Town of Bredenbury	4,889	4,724	4,975
Town of Churchbridge	10,827	10,461	11,017
Town of Esterhazy	90,283	87,232	91,868
Village of Gerald	8,715	8,420	8,868
Town of Langenburg	14,082	13,606	14,329

Schedule 1 (Continued)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
SCHEDULE OF TAX SHARING DISTRIBUTIONS MADE TO MUNICIPALITIES
For the Year Ended December 31

	Budget 2000	Actual 2000	Actual 1999
Esterhazy Area			
Urban Municipalities			
Town of Rocanville	46,496	44,925	47,313
Village of Spy Hill	14,029	13,555	14,275
Village of Stockholm	4,729	4,570	4,812
Village of Tantallon	8,077	7,804	8,219
Village of Welwyn	7,758	7,496	7,895
Village of Yarbo	6,749	6,520	6,867
	218,454	211,072	222,290
	2,184,532	2,110,719	2,222,897
Pense Area			
Rural Municipalities			
# 129 Bratt's Lake	2,730	2,727	2,495
130 Redburn	55,906	55,854	51,428
131 Baildon	19,152	19,134	17,515
159 Sherwood	32,695	32,665	27,423
160 Pense	178,323	178,158	158,727
161 Moose Jaw	84,775	84,697	77,500
189 Lumsden	11,994	11,983	10,445
190 Dufferin	22,939	22,918	19,916
191 Marquis	8,334	8,327	7,043
	416,848	416,463	372,492
Urban Municipalities			
Village of Belle Plaine	3,180	3,177	2,841
Village of Bethune	4,658	4,653	4,162
Village of Briercrest	1,553	1,551	1,387
Village of Disley	633	633	566
Village of Drinkwater	4,322	4,318	3,863
Village of Grand Coulee	4,173	4,170	3,729
Village of Pense	26,530	26,506	23,708
Village of Tuxford	1,267	1,266	1,132
	46,316	46,274	41,388
	463,164	462,737	413,880
Total tax sharing – to Statement 2	$ 6,331,300	$ 6,214,289	$ 6,313,469

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Northern Revenue Sharing Trust Account as at December 31, 2000 and the statements of revenues, expenditures and net assets, and cash flows for the year then ended. The Northern Revenue Sharing Trust Account's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Northern Revenue Sharing Trust Account as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
February 2, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

NORTHERN REVENUE SHARING TRUST ACCOUNT
STATEMENT OF FINANCIAL POSITION
As at December 31

	2000	1999
Financial assets		
Cash and temporary investments	$ 24,550,191	$ 19,644,847
Accounts receivable (Note 4)	690,068	775,014
Inventory	566,958	420,395
Prepaid expenditures	111,210	115,763
Land held for resale	20,998	14,910
Tax title property	8,560	-
	$ 25,947,985	$ 20,970,929
Liabilities		
Unearned revenue	$ 1,706,447	$ 1,594,580
Grants payable	1,371,697	1,443,987
Accounts payable	404,119	404,839
Revenues collected for others	174,664	129,143
	$ 3,656,927	$ 3,572,549
Net assets (Note 8)	$ 22,291,058	$ 17,398,380

Tangible capital assets (Note 5)
Commitments (Note 6)

(see accompanying notes to the financial statements)

Statement 2

NORTHERN REVENUE SHARING TRUST ACCOUNT
STATEMENT OF REVENUES, EXPENDITURES AND NET ASSETS
For the Year Ended December 31

	2000		1999
	Budget (Note 7)	Actual	Actual
Revenues:			
Transfers (Note 10)	$ 7,425,700	$ 7,422,114	$ 5,992,944
Lease fees	4,179,190	4,206,744	4,026,487
Taxation	965,304	1,022,111	945,475
Interest	915,886	1,170,738	924,598
Land and capital asset sales	83,700	705,610	118,693
Utility and fuel supply sales	653,720	775,540	646,811
Other	115,214	202,807	103,068
	14,338,714	15,505,664	12,758,076
Expenditures: (Note 9)			
Grants:			
Northern revenue sharing	5,208,641	5,196,673	5,176,501
Water and sewer	8,000,000	1,794,791	3,863,528
Infrastructure	-	-	157,897
Northern capital	1,010,773	795,140	1,481,719
Tangible capital asset expenditures (Note 5)	351,040	219,866	200,768
Municipal services:			
General government	1,029,270	875,760	904,125
Transportation services	282,948	185,917	186,232
Utilities and fuel operating costs	717,048	815,260	684,558
Community projects	141,709	88,308	108,743
Recreation and cultural	157,750	128,260	96,176
Environmental	181,350	110,787	113,506
Protective services	14,250	2,796	10,859
Public health and welfare	24,150	2,830	697
Bad debt provision	33,000	396,598	17,618
	17,151,929	10,612,986	13,002,927
(Deficit)/surplus for the year	(2,813,215)	4,892,678	(244,851)
Net assets, beginning of year		17,398,380	17,643,231
Net assets, end of year		$ 22,291,058	$ 17,398,380

(see accompanying notes to the financial statements)

Statement 3

NORTHERN REVENUE SHARING TRUST ACCOUNT
CASH FLOW STATEMENT
As at December 31

	2000	1999
Cash provided by (used in):		
Operating activities		
(Deficit)/surplus for the year	$ 4,892,678	$ (244,851)
Change in non-cash working capital:		
Accounts receivable	84,946	827,510
Inventory	(146,563)	5,879
Prepaid expenditure	4,553	(5,437)
Tax title property	(8,560)	-
Land held for resale	(6,088)	(8,460)
Unearned revenue	111,867	89,564
Grants payable	(72,290)	(66,382)
Accounts payable	(720)	(234,298)
Revenues collected for others	45,521	10,587
Cash provided by operating activities	$ 4,905,344	$ 374,112
Cash and temporary investments, beginning of year	$ 19,644,847	$ 19,270,735
Cash and temporary investments, end of year	$ 24,550,191	$ 19,644,847

(see accompanying notes to the financial statements)

NORTHERN REVENUE SHARING TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

1. Authority

The Northern Revenue Sharing Trust Account (NRSTA) was established by Section 287 of *The Northern Municipalities Act* (Act). NRSTA administers all revenues relating to the Northern Saskatchewan Administration District and all moneys appropriated by the Legislature for the purposes of issuing northern revenue sharing and northern capital grants.

2. Significant Accounting Policies

These financial statements are prepared using accounting principles appropriate for the public sector. The following policies are considered significant:

a) Tangible Capital Assets

Tangible capital assets are charged to expenditures in the year the asset is acquired.

b) Inventory

Inventory is fuel held for resale and is valued at the lower of average cost and net realizable value.

c) Tax Enforcement Properties

Properties acquired through the tax enforcement process are recorded at the lower of the outstanding taxes and the net realizable value.

d) Revenues Collected for Others

Pursuant to the Act, NRSTA collects taxes for northern hamlets and northern school divisions. Taxes levied on behalf of northern hamlets and northern school divisions are not considered revenue of the NRSTA and are not reflected in the statement of revenues, expenditures and net assets. These taxes are remitted to the respective entities when received.

e) Transfers

Transfers are recognized as expenditures when grants and/or projects are approved and the recipient has met eligibility criteria.

f) Unearned Revenue

Unearned revenue is revenue that will be earned in a subsequent fiscal year and includes Crown land leases.

3. Financial Instruments

NRSTA's financial instruments include cash, temporary investments, accounts receivable, prepaid expenditures, grants payable, accounts payable and revenues collected for others. The fair value of these instruments approximates carrying value due to their immediate or short-term nature. The interest rates on the short-term deposits range from 4.15% to 6.00%.

4. Accounts Receivable

	2000	1999
Due from General Revenue Fund	$ ---	$ 16,326
Accrued interest	388,321	322,999
Receivable from Federal Government (GST)	65,975	77,112
Crown lease fees	---	16,312
Taxes	20,427	23,783
Other	215,345	318,482
	$ 690,068	$ 775,014

5. Tangible Capital Assets

Tangible capital assets are recorded as expenditure in the year acquired and are not included in the Statement of Financial Position.

The following table is a summary of the assets, by classification.

(thousands of dollars)

	2000								1999
	Land	Buildings	Machinery & Equipment	Computer Hardware & Software	Office Furniture & Equipment	Other	Capital Works In Progress	Total	Total
Estimated useful life	not applicable	25 years	10 years	3 years	5 years	10 years	not applicable		
Opening cost	18	3,752	3,497	164	82	2,546	—	10,059	9,892
Additions	—	17	95	10	4	17	77	220	201
Disposals	—	—	—	—	-5	—	—	-5	-34
Closing cost of tangible capital assets	18	3,769	3,592	174	81	2,563	77	10,274	10,059
Opening accumulated amortization	—	2,366	2,205	144	71	2,144	—	6,930	6,539
Annual amortization	—	135	170	10	2	65	—	382	391
Write-downs	—	—	—	—	—	—	—	—	—
Disposals	—	—	—	—	-2	—	—	-2	—
Closing accumulated amortization	0	2,501	2,375	154	71	2,209	0	7,310	6,930
Net Book Value of Tangible Capital Assets	18	1,268	1,217	20	10	354	77	2,964	3,129

Tangible capital assets are valued at historical cost. All costs directly attributable to the acquisition, construction, development or betterment of the tangible capital assets are included.

Amortization is calculated using the straight-line method based on the estimated useful life of each asset after deducting the assets estimated residual value.

During the current year, NRSTA acquired tangible capital assets costing $219,866 (1999 - $200,768). The net book value of $2,964,000 (1999 - $3,129,000) represents the cost of tangible capital assets less an estimate of the portion of assets used in the delivery of services.

6. Commitments

As at December 31, 2000, NRSTA is committed to funding northern capital and water and sewer projects. These commitments total $14,884,073 (1999 - $5,663,992).

7. Budget

The budget was approved by the Deputy Minister of Municipal Affairs, Culture and Housing.

8. Designated Assets

Included in the District are northern settlements and recreational subdivisions. Under the Act, revenues collected with respect to northern settlements and recreational subdivisions must be used for the benefit of the respective communities and are not available for general purposes. The Act specifies that revenues derived from the sale of Crown land within the boundaries of a northern settlement are to be expended on capital works in that northern settlement. The Act also specifies that the revenue derived from the sale of capital assets must be spent on capital works.

Following is additional information on revenues, expenditures and net assets of northern settlements, recreational subdivisior and capital works:

	2000				1999
	Northern Settlements	Recreational Subdivisions	Capital Works	Total	Total
Revenues:					
Transfers					
Northern revenue sharing	$ 786,356	$ —	$ —	$ 786,356	$ 786,356
Northern capital	97,993	—	—	97,993	99,498
Infrastructure	—	—	—	—	47,907
Water and sewer	76,597	—	—	76,597	1,140
Other	36,114	—	—	36,114	67,977
Utility and fuel sales	775,541	—	—	775,541	646,810
Lease fees	29,973	—	—	29,973	31,092
Taxation	29,351	65,816	—	95,167	84,166
Interest	97,708	21,002	—	118,710	97,761
Land and capital asset sales	—	—	4,577	4,577	32,960
Other	193,089	116	—	193,205	89,526
	2,122,722	86,934	4,577	2,214,233	1,985,193
Expenditures:					
Capital assets expenditures	208,178	1,068	—	209,246	181,712
Municipal Services:					
General government	126,582	6,972	—	133,554	178,831
Transportation	163,121	22,796	—	185,917	186,233
Utilities and fuel costs	815,260	—	—	815,260	684,558
Community projects	88,308	—	—	88,308	108,743
Recreation and cultural	124,622	3,637	—	128,259	96,175
Environmental	96,511	14,276	—	110,787	113,506
Protective services	2,096	700	—	2,796	10,859
Public health and welfare	2,830	—	—	2,830	697
Bad debt provision	27,762	4,536	—	32,298	12,269
	1,655,270	53,985	—	1,709,255	1,573,583
Surplus for the year	467,452	32,949	4,577	504,978	411,610
Net designated assets, beginning of year	2,086,923	324,992	191,900	2,603,815	2,192,205
Net designated assets, end of year	$ 2,554,375	$ 357,941	$ 196,477	$3,108,793	$2,603,815

9. Expenditures by Object

	2000		1999
	Budget	Actual	Actual
Grants	$ 14,219,414	$ 7,786,604	$ 10,679,645
Operating costs	1,591,998	1,601,668	1,537,516
Capital asset expenditures	351,040	219,866	200,768
Salaries and benefits	301,807	237,509	240,684
Other	687,670	767,339	344,314
	$ 17,151,929	$ 10,612,986	$13,002,927

10. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencie boards and commissions related to NRSTA by virtue of common control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled on agreed upon exchange amounts. The following table summarizes the routine related party transactions for the year:

	2000	1999
Revenues	$ 10,544	$ 10,138
Expenditures	329,773	340,938
Accounts receivable	4,539	16,326
Accounts payable	264,778	199,045

In addition, NRSTA pays Saskatchewan Education and Health tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

NRSTA received the following transfers from related parties during the year:

	2000	1999
General Revenue Fund		
- Department of Municipal Affairs, Culture and Housing	$ 7,386,000	$ 5,933,908
- Department of Health	—	3,503
- Department of Post Secondary Education and Skills Training	26,977	—
New Careers	—	46,614
Saskatchewan Lotteries	9,137	8,919
	$ 7,422,114	$ 5,992,944

The Department of Environment and Resource Management (Environment) is responsible for administering Crown land within the District. Therefore, Crown land is not reflected on the statement of financial position. However, in accordance with the Northern Crown Land Disposition Regulations and the Act, NRSTA is entitled to receive all proceeds from Crown land sales and leases within the District. During the year, Environment charged NRSTA $430,000 (1999 - $430,000) for administration of Crown land lease fees and Crown land sales.

An annual administration charge of $200,000 has been established by the Department of Municipal Affairs, Culture and Housing to offset its expenses for administering NRSTA. At December 31, 2000, $150,000 (1999 - $150,000) remains unpaid and has been recorded as an accounts payable on the statement of financial position.

11. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Oil and Gas Environmental Fund as at March 31, 2001 and the statement of revenue, expenditure and net assets for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
May 11, 2001

Statement 1

OIL AND GAS ENVIRONMENTAL FUND
BALANCE SHEET
As at March 31

	2001	2000
ASSETS		
Current:		
Due from General Revenue Fund (Note 5)	$ 2,544,897	$ 2,407,402
FUND BALANCE		
Net Assets (Statement 2) (Note 4)	$ 2,544,897	$ 2,407,402

(See accompanying notes to the financial statements)

Statement 2

OIL AND GAS ENVIRONMENTAL FUND
STATEMENT OF REVENUE, EXPENDITURE AND NET ASSETS
Year Ended March 31

	Budget 2001 (Note 6)	Actual 2001	Actual 2000
Revenue:			
Interest (Note 5)	$ 100,000	$ 137,495	$ 112,208
Expenditure:			
Well site restoration contracts	200,000	---	---
Excess of revenue over expenditure	$ (100,000)	137,495	112,208
Net Assets, beginning of year		2,407,402	2,295,194
Net Assets, end of year - to Statement 1		$ 2,544,897	$ 2,407,402

(See accompanying notes to the financial statements)

OIL AND GAS ENVIRONMENTAL FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority

The Oil and Gas Environmental Fund was established on May 17, 1989, pursuant to Section 18.2 of *The Oil and Gas Conservation Regulations, 1985* (Regulations). The purpose of the Fund is to provide a mechanism to respond adequately to environmental problems associated with the exploration, development, production, and transportation of oil and gas. The Fund originated through a one-time assessment of $100 per well to a maximum of $20,000 per operator.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. Statement of Cash Flows

A cash flow statement has not been provided as the cash flow information is readily apparent from the financial statements.

4. Net Assets

The net assets represent assessments raised in accordance with subsection 18.3(2) of the Regulations less well site restoration costs. The net assets, together with any future recoveries of well site restoration costs, are available to provide for expenditures under section 18.4 of the Regulations related to the:

a) restoration of abandoned well sites, as a result of disappearance or insolvency of the well owner or operator.

b) containment or clean up of major environmental problems arising from oil and gas exploration, development, production or transportation operations.

5. Related Party Transactions

Included in these financial statements are transactions with departments related to the Fund by virtue of common control by the Government of Saskatchewan.

The Fund's money is on deposit with the General Revenue Fund (GRF). The GRF calculates and pays the Fund interest on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate in 2000/2001 was 5.59% (1999/2000 - 4.79%).

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Energy and Mines.

6. Budget

The budget for the Fund is included with the Department of Energy and Mines budget submission to Treasury Board. Treasury Board approves the Fund's budget annually.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants

April 19, 2001

Auditors' Report

To the Members of the Legislative Assembly,
Province of Saskatchewan

We have audited the statement of financial position of the Sask911 Account as at March 31, 2001 and the statement of operations and net assets for the year then ended. These financial statements are the responsibility of the account's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the account as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization.

Sask911 Account

Statement of Operations and Net Assets
For the year ended March 31

		2001		2000
Revenues				
Net Sask911 Account fees (Note 4)	$	1,479,288	$	618,071
Interest income		26,950		5,953
		1,506,238		624,024
Expenses				
Public safety answering points		891,300		201,276
Central co-ordination		102,271		-
Start-up communications		294,182		-
		1,287,753		201,276
Excess of revenues over expenses		218,485		422,748
NET ASSETS, BEGINNING OF YEAR		464,897		42,149
NET ASSETS, END OF YEAR	$	683,382	$	464,897

See accompanying notes.

Sask911 Account

Statement of Financial Position
As at March 31

	2001	2000
ASSETS		
Current Assets		
Cash (Note 5)	$ 680,453	$ 458,068
Receivable from Saskatchewan Telecommunications	-	5,388
Interest receivable	2,929	1,441
	$ 683,382	$ 464,897
NET ASSETS	$ 683,382	$ 464,897
	$ 683,382	$ 464,897

See accompanying notes.

On behalf of SaskTel

Officer

R Stephanson Officer

SASK911 ACCOUNT

Notes to Financial Statements

March 31, 2001

1. STATUS OF THE SASK911 ACCOUNT

The Emergency 911 System Act (Chapter E – 7.3 of the Statutes of Saskatchewan) ("the Act") provides for the development, implementation and operation of an Emergency 911 system in the Province, known as The Sask911 System.

Section 45.1 of *The Saskatchewan Telecommunications Act* ("the SaskTel Act") established the Sask911 Account ("the Account"). Effective January 1, 1999 *The Sask911 Fees Regulations* (Chapter S - 34 Reg 3 as amended by Saskatchewan Regulations 39/1999) requires all telecommunication operators providing local telephone services in certain municipalities in Saskatchewan to bill their connected customers prescribed Sask911 fees and to remit these fees to Saskatchewan Telecommunications ("SaskTel") for deposit into the Account. SaskTel manages the Account.

Section 7 of the Act provides that the Minister responsible may direct SaskTel to make payments out of the Account for the purposes of implementing the Act or exercising any of the Minister's powers.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using generally accepted accounting principles.

3. SCOPE OF FINANCIAL STATEMENTS

In addition to its role in collecting the Sask911 fees referred to in Note 1, pursuant to 9(1) (d.1) of the SaskTel Act, SaskTel is entitled to recover its cost of installing and maintaining the equipment and facilities required to place emergency 911 calls in the Province of Saskatchewan. Fees charged by SaskTel in respect of its telecommunications cost are not reflected in these financial statements but rather as revenue in the financial statements of SaskTel.

SASK911 ACCOUNT

Notes to Financial Statements

March 31, 2001

4. SASK911 FEES

A portion of the Sask911 fee is retained by SaskTel to cover its cost of billing and account management. The Sask911 fees were deposited into the Account as follows:

Sask911 fees billed	2001	2000
Residential	$ 1,323,415	$571,832
Business/Centrex	185,014	76,146
Multiline/PBX	267,391	94,863
	1,775,820	742,841
LESS: SaskTel billing and account management fee	296,532	124,770
	$ 1,479,288	$618,071

5. DESIGNATED ASSETS

The Account contains designated assets to be used for the following funding purposes, under the direction of the Minister:

Designated assets	2001	2000
Public safety answering points	$241,705	$210,509
Central coordination	80,212	55,873
Start-up communications	277,605	176,729
Standards and training	50,814	15,689
	$650,336	$458,800

Cash includes interest of $30,117 (2000 - $4,656) received by the Sask911Account, which is not included in the amounts designated above.

Net assets of $683,382, including cash of $680,453 and interest receivable of $2,929, remain in the Sask911 account as of March 31, 2001 due to the timing of disbursements. Payments to the public safety answering points are made after each quarter-end. The remainder of the designated assets will be disbursed subsequent to March 31, 2001 as directed by Municipal Affairs and Housing.

SASK911 ACCOUNT

Notes to Financial Statements

March 31, 2001

6. STATEMENT OF CHANGES OF FINANCIAL POSITION

A statement of cash flows has not been provided as it does not directly provide additional meaningful information.

7. RELATED PARTY TRANSACTIONS

These financial statements include transactions with Saskatchewan Telecommunications, and is considered a related party by virtue of common control by the Government of Saskatchewan.

SaskTel provides Sask911 with billing and account management services which are settled at prevailing market prices under normal trade terms. The amounts paid during the year for this service are detailed in note 4.

In addition, Sask911 pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Apprenticeship and Trade Certification Commission as at June 30, 2000 and the statements of operations and accumulated operating surplus, and cash flows for the nine-month period then ended. The Commission's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at June 30, 2000 and the results of its operations and its cash flows for the nine-month period then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
October 19, 2000

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

APPRENTICESHIP AND TRADE CERTIFICATION COMMISSION
STATEMENT OF FINANCIAL POSITION
As at June 30, 2000

Financial assets:	
Due from General Revenue Fund (Note 3)	$ 1,664,116
Accounts Receivable	339,382
Prepaid Expenses	7,460
Total financial assets	2,010,958
Liabilities:	
Accounts payable and accrued liabilities	1,725,424
Accrued vacation leave	96,009
Total Liabilities:	1,821,433
Accumulated surplus	$ 189,525
Accumulated surplus represented by:	
Accumulated revenue over expense	$ 218,398
Less tangible capital assets (Statement 4)	(28,873)
	$ 189,525

(See accompanying notes to the financial statements)

Statement 2

APPRENTICESHIP AND TRADE CERTIFICATION COMMISSION
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS
For the Period October 1, 1999 to June 30, 2000

Revenue:	
Grants - General Revenue Fund	$ 5,387,517
Client Fees	74,692
Federal Contribution Agreement	377,755
Interest	46,769
Total Revenue	5,886,733
Expenses:	
Salaries	1,265,900
Program Contractual Services	3,536,653
Amortization Expense	9,603
Other Contractual Services	82,335
Honorariums, Board Expenses	95,248
Travel	139,082
System Consulting	400,565
Telephone expense	36,916
Advertising and printing	26,087
Space Rental	39,465
Equipment Rental	13,853
Office supplies	21,149
Postage, Courier, Freight	1,479
Total Expenses	5,668,335
Excess of revenue over expenses	218,398
Net (increase) in tangible capital assets	(28,873)
Surplus for the year	189,525
Accumulated surplus, beginning of period	-
Accumulated surplus end of period	$ 189,525

(See accompanying notes to the financial statements)

Statement 3

APPRENTICESHIP AND TRADE CERTIFICATION COMMISSION
STATEMENT OF CASH FLOWS
For the Period October 1, 1999 to June 30, 2000

Cash flows from operating activities:	
Cash receipts from General Revenue Fund	$ 5,347,937
Cash receipts from Government of Canada	100,000
Cash receipts from clients	73,492
Interest received	24,722
Cash paid to suppliers and employees	(1,557,870)
Cash paid to provide program services	(2,285,689)
Cash flows from operating activities	1,702,592
Cash flows from investing activities:	
Purchase of capital assets	(38,476)
Cash flows from investing activities:	(38,476)
Increase in cash	1,664,116
Due from General Revenue Fund, beginning of period	-
Due from General Revenue Fund, end of period	$ 1,664,116

(See accompanying notes to the financial statements)

Statement 4

APPRENTICESHIP AND TRADE CERTIFICATION COMMISSION
STATEMENT OF TANGIBLE CAPITAL ASSETS
For the Period October 1, 1999 to June 30, 2000

	Office Equipment	Computer Hardware	Total
Opening costs	$ -	$ -	$ -
Additions during the year	317	38,159	38,476
Closing cost	317	38,159	38,476
Opening accumulated amortization	-	-	-
Annual amortization	63	9,540	9,603
Closing accumulated amortization	63	9,540	9,603
Net Book Value of Tangible Capital Assets	$ 254	$ 28,619	$ 28,873

(See accompanying notes to financial statements)

APPRENTICESHIP AND TRADE CERTIFICATION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD OCTOBER 1, 1999 TO JUNE 30, 2000

1. Description of Business

The Apprenticeship and Trade Certification Commission (the Commission) was established as a Treasury Board Crown Corporation, by The Apprenticeship and Trade Certification Commission Act, 1999 effective October 1, 1999.

The purpose of the Commission is to provide apprenticeship training services to Saskatchewan residents.

2. Significant Accounting Policies

These financial statements have been prepared using accounting principles appropriate for the public sector and reflect the following significant accounting principles.

a) The Basis of Accounting

The accounts are prepared on the accrual basis of accounting.

b) Period of Accounting

These financial statements cover the period October 1, 1999 to June 30, 2000.

c) Revenue

The revenue of the Commission consists of monies provided by the Department of Post-Secondary Education and Skills Training to operate the Commission and train apprentices, fees charged to apprentices, a federal contribution for development of the Interprovincial Computerized Examination Management System (ICEMS), and interest revenue.

Revenue is recorded when received or receivable.

d) Expenses

Expenses represent the cost of resources consumed during the period of operations. Expenses include a provision for the amortization of tangible capital assets purchased during the period.

e) Tangible Capital Assets

Tangible capital assets were transferred on October 1, 1999 from the Department of Post-Secondary Education and Skills Training. These assets were fully depreciated at the time of transfer.

Tangible capital asset purchases are recorded at cost. The cost and related accumulated amortization of items retired or disposed of are removed from the records and any gains or losses are included in the statement of operations and accumulated surplus.

Amortization is recorded on tangible capital asset purchases on a straight-line basis over their estimated useful lives as follows:

• Office Equipment	5 years
• Audio/Visual Equipment	5 years
• Computer software and hardware	4 years

f) Net increase in tangible capital assets

The net increase in tangible capital assets represents adjustments required to report the surplus for the year on an expenditure basis.

3. Due from the General Revenue Fund

The Commission's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Commission's bank account using the Government's thirty day borrowing rate and the Commission's average daily account balance. The average rate for the period October 1, 1999 to June 30, 2000 was 5.07%.

4. Related Party Transactions

These financial statements include transactions with related parties. The Commission is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, the Commission pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The Commission has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Post-Secondary Education and Skills Training. Also, the Department paid for the employee benefits of the Commission.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

5. Financial Instruments

The Commission's financial instruments include due from the General Revenue Fund, accounts receivable, accounts payable, and accrued liabilities. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no interest or credit risk.

6. Trust Funds

Trust funds are property held and administered on behalf of beneficiaries. Trust assets are not owned by the Commission, and the Commission has no equity in the funds. Therefore, trust funds are not included in the financial statements. The trust did not have any transactions during the period. The Commission held and administered a trust fund on behalf of the Canadian Council Directors Partnership. At June 30, 2000, the trust fund balance was $17,434.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Archives Board as at March 31, 2001 and the statements of revenue and expenditures and net financial assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with the Canadian generally accepted public sector accounting principles.

Regina, Saskatchewan
June 18, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

SASKATCHEWAN ARCHIVES BOARD
STATEMENT OF FINANCIAL POSITION
As as March 31

	2001	2000
Financial Assets:		
Due from the University of Saskatchewan (Note 4)	$ 298,470	$ -
Accounts receivable	2,701	5,783
Grant Receivable - General Revenue Fund	-	313,000
Prepaid expenses	15,273	10,537
	316,444	329,320
Investment in Pooled funds (Notes 4 and 5)	47,371	47,371
	363,815	376,691
Liabilities:		
Due to the University of Saskatchewan (Note 4)	-	110,500
Accrued vacation pay payable	44,247	91,678
Accounts payable	68,467	99,164
Deferred Revenue	22,372	26,897
	135,086	328,239
Net financial assets (Statement 2)	$ 228,729	$ 48,452
Investment in tangible capital assets (Note 3)	$ 155,317	$ 153,199

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN ARCHIVES BOARD
STATEMENT OF REVENUE AND EXPENDITURES AND NET FINANCIAL ASSETS
For the year Ended March 31

	Budget 2001 (Note 9)	Actual 2001	Actual 2000
Revenue:			
Grants - General Revenue Fund	$ 2,443,401	$ 2,600,000	$ 2,598,000
Other	15,864	35,411	12,624
	2,459,265	2,635,411	2,610,624
Services	140,824	139,638	161,193
Photocopy sales	43,000	43,708	41,925
Magazine sales	10,000	1,614	15,207
Miscellaneous	11,874	12,731	14,089
	2,664,963	2,833,102	2,843,038
Expenditures:			
Salaries and benefits	1,830,058	1,819,843	1,655,019
Administrative services	715,405	701,178	884,574
Printing and postage	35,450	32,638	34,836
Equipment	24,200	64,141	97,183
Materials & supplies	28,500	35,025	38,368
	2,633,613	2,652,825	2,709,980
Increase in net financial assets	$ 31,350	180,277	133,058
Net financial assets/(liabilities), beginning of year		48,452	(84,606)
Net financial assets, end of year - to Statement 1		$ 228,729	$ 48,452

(See accompanying notes to the financial statements)

Statement 3

SASKATCHEWAN ARCHIVES BOARD
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2001	2000
Cash provided by (used in) operating activities:		
Increase in net financial assets	$ 180,277	$ 133,058
Change in net financial assets:		
Decrease (increase) in grant and accounts receivable	316,082	(317,429)
Increase in prepaid expenses	(4,737)	(7,154)
(Decrease) increase in accrued vacation payable	(47,431)	39,815
(Decrease) increase in accounts payable	(30,696)	13,206
(Decrease) increase in deferred revenue	(4,525)	6,303
Net change in non-cash working capital balances related to operations	228,693	(265,259)
Cash provided by (used in) operating activities	408,970	(132,201)
Due from (to) the University of Saskatchewan, beginning of year	(110,500)	21,701
Due from (to) to the University of Saskatchewan, end of year	$ 298,470	$ (110,500)

(See accompanying notes to the financial statements)

SASKATCHEWAN ARCHIVES BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority

The Saskatchewan Archives Board was established under the authority of *The Archives Act*, for the purpose of acquiring and preserving historical documents relating to the history of Saskatchewan and providing these documents to the public for research purposes.

2. Accounting Policies

The financial statements are prepared using generally accepted accounting principles. The following accounting policies are significant.

a) Tangible Capital Assets

Tangible Capital assets are charged to expenditure when purchased rather than when consumed. For accountability purposes, these assets are also recorded separately as an investment in tangible capital assets. The unconsumed cost of the physical assets is the cost of the tangible capital assets less amortization provided over the estimated useful life of the assets on a straight-line basis as follows:

Computer hardware	3 years
Computer software	3 years
Equipment	5 years
Furniture	5 - 20 years

This amortization procedure does not impact the statement of revenues and expenditures.

The Board has placed a nil value on the permanent collection of archival materials for financial statement purposes.

The cost of materials used to preserve the archival collection is expensed.

b) Expenditures

Expenditures are recorded on the accrual basis and include the costs of tangible capital assets acquired during the year.

3. Tangible Capital Assets

	Office Furniture and Equipment	Computer Hardware and Software	Total 2001	Total 2000
Tangible Capital Assets				
Cost, beginning of year	$ 406,894	$266,183	$673,077	$588,300
Additions	27,543	32,571	60,114	92,635
Disposals	(7,758)	---	(7,758)	(7,858)
Cost, end of year	426,679	298,754	725,433	673,077
Amortization				
Accumulated amortization, beginning of year	287,725	232,153	519,878	467,741
Amortization in year	23,626	34,201	57,827	59,995
Disposals	(7,589)	---	(7,589)	(7,858)
Accumulated amortization, end of year	$303,762	$266,354	570,116	519,878
Investment in tangible capital assets			$155,317	$153,199

4. Due to/from University of Saskatchewan

The University administers cash and investments on behalf of the Board. The University pays the Board interest only for the money related to the Evelyn Eager Estate Trust Fund and the Capital Trust Fund. The Saskatchewan Archives Board is not charged for interest on overdraft.

5. Saskatchewan History Trust Fund

In July 1992, the Saskatchewan Archives Board received a bequest of $40,000. It received an additional $7,371 in September 1994. The $47,371 is restricted indefinitely with the interest earned applied to the costs of publishing the Saskatchewan History magazine. The Board has the discretion to use the income for other purposes if the Board ceases publication of the magazine.

6. Related Party Transactions

These financial statements include transactions with related parties. The Board is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Board is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Administrative services are provided at a nominal charge to the Board by the University of Saskatchewan and the University of Regina.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Included in administrative services are amounts paid to the Saskatchewan Property Management Corporation for office space the Board leases in Regina. Lease payments were $517,761 in 2001 (2000 - $714,542).

In addition, the Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

7. Pension Plan

Substantially all of the Board's employees participate in the Public Employees Pension Plan (a related party) which is a defined contribution plan. The Board's financial obligation to the plan is limited to making required payments to match amounts contributed by employees for current services. Included in salaries and benefits is pension expense for the year of $90,534 (2000 - $81,287).

8. Financial Instruments

The Board's financial instruments include cash, investments, grants receivable, accounts receivable, accrued vacation pay payable and accounts payable. The carrying amount of these instruments approximate fair value due to their immediate or short-term maturity. These instruments do not have significant interest or credit risk.

9. Budget

These amounts are included in the annual budget approved by the Saskatchewan Archives Board.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Arts Board as at March 31, 2001 and the statement of operations and net financial assets and the statement of cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
June 12, 2001

Statement 1

THE SASKATCHEWAN ARTS BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
Financial assets:		
Cash - Operations	$ 429,368	$ 464,954
Cash - Designated Funds (Note 5)	130,943	109,731
Prepaid Expenses	5,100	7,006
Accounts Receivable	87,780	54,216
	653,191	635 907
Liabilities:		
Accounts payable		
- Grants payable	$ 295,837	$ 286,737
- Accrued payable	35,662	34,426
- Other	38,296	33,962
Unearned Revenue		
- Permanent collection rental fees	8,270	8,938
	378,065	364,063
Net financial assets	$ 275,126	$ 271,844
Net financial assets represented by:		
Accumulated operating results	$ 354,670	$ 366,618
Investment in tangible capital assets (Note 4a)	(79,544)	(94,774)
	$ 275,126	$ 271,844
Permanent collection (Note 3)	$ 1,657,371	$ 1,587,653

(See accompanying notes to the financial statements)

Statement 2

THE SASKATCHEWAN ARTS BOARD
STATEMENT OF OPERATIONS & NET FINANCIAL ASSETS
For the Year Ended March 31

	2001	2000
Revenues:		
Government of Saskatchewan - General Revenue Fund	$ 3,742,000	$ 3,727,000
SaskCulture Inc.	421,500	370,000
Other contributions	39,621	17,716
Interest and other revenue	66,102	89,659
Permanent collection		
- Rental fees and other	67,856	56,301
- Donations of art and archives (Notes 2(c) & 3)	26,350	12,075
	4,363,429	4,272,751
Expenses:		
Grants & transfers		
- Global	$ 2,015,334	$ 2,011,900
- Gallery	136,500	130,000
- Project	140,918	130,500
- Artists-in-Residence	250,000	200,000
- Individual Assistance	572,962	502,209
- Other	22,500	15,800
Permanent Collection		
- Purchases	43,368	31,211
- Donations	26,350	12,075
Program Delivery		
- Grants	443,167	395,628
- Permanent Collection	177,342	159,901
Operations	460,668	387,511
Communications	86,268	89,774
	4,375,377	4,066,509
Net operating results	(11,948)	206,242
Net change in capital assets:		
- Purchases of tangible assets	(9,450)	(21,484)
- Loss on asset disposition	2,475	0
- Amortization	22,205	23,350
Surplus for the year	3,282	208,108
Net financial assets, beginning of year	271,844	63,736
Net financial assets, end of year	275,126	271,844

(See accompanying notes to the financial statements)

Statement 3

THE SASKATCHEWAN ARTS BOARD
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash receipts:		
General Revenue Fund - Appropriation	$ 3,742,000	$ 3,727,000
SaskCulture Inc.	409,971	349,780
Fees & Other	150,841	177,525
	4,302,812	4,254,305
Cash Disbursements:		
Grant Payments	3,129,114	2,877,093
Salary & Benefits	652,347	535,968
Space & Accommodation	161,722	157,423
Suppliers & Others	374,003	366,135
	4,317,186	3,936,619
Net (decrease) increase in cash from operating activities	(14,374)	317,686
Cash position, beginning of year	574,685	256,999
Cash position, end of year	$ 560,311	$ 574,685

Cash included in the Statement of Cash Flows is comprised of the following amounts:

	2001	2000
Cash - Operations	$ 429,368	$ 464,954
Cash - Designated Funds	130,943	109,731
	$ 560,311	$ 574,685

(See accompanying notes to the financial statements)

THE SASKATCHEWAN ARTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Purpose & Authority

The Saskatchewan Arts Board was established pursuant to *The Arts Board Act*. It has been continued under *The Arts Board Act, 1997* (the Act). It exists to cultivate an environment in which the arts thrive for the benefit of everyone in Saskatchewan. The Act continues the Saskatchewan Arts Board Fund through which all financial transactions are conducted which pertain to fulfilling the purposes of the agency as indicated in the Act.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles. The significant policies are as follows:

a) The Basis of Accounting

The financial statements are reported on the expense basis of accounting.

b) Reporting the Results of Operations and Net Financial Assets

The statement of operations and net financial assets reports revenues for the year, the cost of capital assets consumed during the year, i.e. amortized, and the excess of revenues over expenses or expenses over revenues. The results of operations are then adjusted within the statement for the difference between the cost of capital assets consumed and the cost of capital assets acquired during the year. These adjustments reconcile the results of operations to the change in net financial assets.

c) Permanent Collection

The Arts Board maintains a collection of artworks and related archives in all forms in order to inform, enlighten, and enhance the lives of present and future generations. Works in the collection are acquired through purchase, commission, donation, or bequest.

i) Permanent collection purchases are charged as an expense in the Statement of Operations & Net Financial Assets in the year of purchase.

ii) Donated works of art and archives for the permanent collection are recorded as revenue at their fair market value at the time of donation with a corresponding charge to expenses in the Statement of Operations & Net Financial Assets.

d) Tangible Capital Assets

Equipment and furnishings are recorded at cost less accumulated amortization. The net book value of equipment and furnishings is detailed in Note 4(a). Net book value of equipment and furnishings is determined by using the straight line amortization method, with an estimated residual value of 10% of cost. Equipment and furnishings are amortized as follows:

Electronic equipment	4 years
Other equipment	6 years
Furnishings	10 years

e) Designated Assets

The Board periodically designates amounts from cash to be allocated for specified purposes. In designating these amounts, the Board takes into account the amounts and stated preferences of contributors. These amounts are not available for other purposes without approval of the Board.

f) Grant expenses

Grants are expensed when approved by the Board, the applicant has met the eligibility criteria and the amount of the grant can be estimated.

g) Cash

Cash consists of interest-bearing money on deposit with the bank. The interest rates range from 4.85% to 5.5% (2000 - 4.25% to 4.82%)

3. Permanent Collection

	2001	2000
Art	$ 1,629,901	$ 1,562,683
Archives	27,470	24,970
	$ 1,657,371	$ 1,587,653

During the year the Board purchased works of art for the permanent collection totaling $43,368 (2000 - $31,211) and received donations of art works and archives valued at $26,350 (2000 - $12,075).

In March 1994, the permanent collection was appraised by members of the Professional Art Dealers Association of Canada, and assigned a value of $1,513,157, excluding frames, on the basis of market value. The value of the collection disclosed in the financial statements at that time was $810,847.

4. Tangible Capital Assets

a) Equipment and Furnishings

During the year the Board purchased equipment and furnishings totaling $9,450 (2000 - $21,484). In 2001 the Board disposed of capital assets in the amount of $21,441 (2000 - $0). The loss on disposition was $2,475. Capital assets are comprised of the following amounts:

	2001			2000		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furnishings	$148,633	$120,051	$ 28,582	$151,975	$115,890	$ 36,085
Other Equipment	49,705	34,565	15,140	50,827	32,766	18,061
Electronic Equipment	186,312	150,490	35,822	193,840	153,212	40,628
Total	$384,650	$305,106	$ 79,544	$396,642	$301,868	$ 94,774

The amortization for the year ended March 31, 2001 was $22,205 (2000 - $23,350).

b) Land

In July, 1998, Order-in-Council 485/98 authorized Saskatchewan Environment and Resource Management to sell, and the Arts Board to acquire, provincial lands identified in the Order-in-Council for the total value of $1. The current market value of the land has not been determined as of the issuance of the financial statements.

5. Designated Funds

In 2001 the Board designated $15,000 from cash (2000 - $996). The total of amounts designated and allocated by the Board collectively earned interest of $6,211 (2000 - $4,719). There were no disbursements from these funds in 2001 (2000 - $300). The comparative year-end allocation balances are as follows:

	2001	2000
Jane Turnbull Evans Memorial Fund	$ 83,887	$ 79,531
Fred Mennie Fund	23,021	21,825
Arts Stabilization Fund	15,201	0
Cicanski-Creighton Fund	3,798	3,601
Painchaud Fund	2,673	2,534
Other Funds	2,363	2,240
	$ 130,943	$ 109,731

6. Pension Plan

Employees make contributions to the Public Employees Pension Plan, a defined-contribution plan. Funding requirements are established by *The Superannuation (Supplementary Provisions) Act*. During the year, the Board's contribution rate increased from 5% to 6% of gross salary for eligible employees, retroactive to October 1, 1999. Employee contributions were unchanged at 5% of gross salary. This plan is fully funded. During the year the Board's total contributions were $37,095 (2000 - $21,857).

7. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related since all are controlled by the Government. These financial statements include transactions with other Government agencies.

The following table summarizes the Board's transactions with other Government agencies that are in the normal course of operations. These transactions are recorded at agreed upon exchange amounts.

	2001	2000
Expenses		
- Saskatchewan Property Management Corp.	$ 143,068	$ 148,224
- Saskatchewan Centre of the Arts	37,108	34,865
- SaskTel	19,206	18,093
- Saskatchewan Workers Compensation Board	3,468	3,136
Revenues		
- Permanent Collection	56,169	43,758

8. Financial Instruments

The Arts Board's significant financial instruments consist of cash, accounts receivable, and accounts payable. The fair values of the cash, accounts receivable, and accounts payable approximate their carrying value due to the short-term nature of these instruments.

9. Commitments

a) Grants

During the year the Board approved grants of $1,866,433 for the subsequent year (2000 - $1,876,433), subject to the availability of funding for this purpose.

b) Operating lease obligations

Subsequent to year end, the Board terminated its lease for office space with Saskatchewan Property Management Corporation and entered into a lease for new office space from Talisman Properties Ltd. Future minimum lease payments pursuant to operating leases are:

Fiscal Year	Operating Leases
2001/02	77,102
2002/03	67,600
2003/04	67,600
2004/05	67,600
2005/06	67,600
Subsequently	11,267
	$ 358,769

10. Protocol Agreement

In 1997 the Board entered into a 3-year protocol agreement with SaskCulture Inc. to outline new principles involving the assessment and funding of provincial cultural organizations for the period ending March 31, 2000. During the year the agreement was extended to March 31, 2001. In 2001 the Board adjudicated funding of $1,287,099 (2000 - $1,247,900) on behalf of SaskCulture Inc. to be paid to six organizations. In 2001 SaskCulture Inc. paid a fee of $15,000 (2000 - $15,000) to the Arts Board for this purpose.

11. Comparison of Planned and Actual Results by Object

Expenses on the Statement of Operations & Net Financial Assets are reported for the year ended March 31 by object as follows:

	2001		2000
	Budget	Actual	Actual
Revenues			
General Revenue Fund	$ 3,742,000	$ 3,742,000	$ 3,727,000
SaskCulture Inc.	421,500	421,500	370,000
Donations of Art & Archives	0	26,350	12,075
Other	144,130	173,579	163,676
Total revenue	$ 4,307,630	$ 4,363,429	$ 4,272,751
Expenses			
Grants & Transfers	$ 3,173,475	$ 3,138,214	$ 2,990,409
Permanent Collection			
Acquisitions	43,455	43,368	31,211
Donations	0	26,350	12,075
Operations			
Salaries and benefits	700,427	682,267	574,779
Office and administration	217,350	202,439	209,888
Furniture and equipment	32,400	35,485	34,745
Programs and services	188,000	120,377	96,042
Travel and meetings	62,500	73,994	54,667
Printing and promotion	52,500	52,883	62,693
Total expenses	4,470,107	4,375,377	4,066,509
Excess of revenues over expenses (expenses over revenues)	$ (162,477)	$ (11,948)	$ 206,242

The budget for the 2000/01 year was approved by the Board on April 28, 2000.

12. Comparative Amounts

Certain 2000 balances have been reclassified to conform with the current year's presentation.

Deloitte
& Touche

Auditors' Report

To the Board of Directors of
The Saskatchewan Assessment Management Agency

We have audited the balance sheet of Saskatchewan Assessment Management Agency as at December 31, 2000 and the statements of revenues, expenses and operating surplus and cash flows for the year then ended. These financial statements are the responsibility of the agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the agency as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

March 6, 2001

Deloitte
Touche
Tohmatsu

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

(Established under The Assessment Management Agency Act - Saskatchewan)

Balance Sheet

December 31, 2000

	2000	1999
CURRENT ASSETS		
Cash and temporary investments	$ 1,330,620	$ 1,603,600
Accounts receivable and accrued interest	1,143,127	143,665
Prepaid expenses	13,475	13,428
	2,487,222	1,760,693
FIXED ASSETS (Note 4)	281,372	327,145
	$ 2,768,594	$ 2,087,838
CURRENT LIABILITIES		
Accounts payable	$ 437,445	$ 261,016
Deferred revenue (Note 5)	1,000,000	714,075
	1,437,445	975,091
SURPLUS		
Equity in fixed assets (Note 6)	281,372	327,145
Accumulated operating surplus	4,606	189,828
Reserves (Note 7)	1,045,171	595,774
	1,331,149	1,112,747
	$ 2,768,594	$ 2,087,838

APPROVED BY THE BOARD

Mark Thompson .... Director

[illegible] H. [illegible] .... Director

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

Statement of Revenues, Expenses and Operating Surplus

Year ended December 31, 2000

	2000	1999
REVENUES		
Province of Saskatchewan Operating grant	$ 4,864,075	$ 4,150,000
Municipal requisitions	5,449,801	5,449,801
Interest	124,962	110,738
Fees	102,169	138,520
Appraisal and assessment services	8,990	84,397
Miscellaneous	43,581	65,743
	10,593,578	9,999,199
EXPENSES		
Aerial photography	19,698	743
Bank charges	11,066	9,994
Communications and public meetings	60,360	70,781
Computer	301,451	269,758
Depreciation	149,296	167,600
GST	50,876	190,458
Insurance	9,870	11,162
Office	454,551	457,507
Printing	217,563	213,680
Professional	85,491	31,193
Rent	349,645	409,092
Salaries and benefits	7,911,759	7,498,917
Tools and supplies	4,896	-
Travel and accommodation	548,051	467,510
	10,174,573	9,798,395
EXCESS OF REVENUES OVER EXPENSES	419,005	200,804
OPERATING SURPLUS, BEGINNING OF YEAR	189,828	137,624
ALLOCATION TO EQUITY IN FIXED ASSETS (Note 6)	45,773	(13,600)
TRANSFERS TO RESERVES (Note 7)	(650,000)	(135,000)
OPERATING SURPLUS, END OF YEAR	$ 4,606	$ 189,828

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

Statement of Cash Flows

Year ended December 31, 2000

	2000	1999
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 419,005	$ 200,804
Items not affecting cash		
Depreciation	149,296	167,600
Changes in non-cash working capital		
Accounts receivable and accrued interest	(999,462)	(41,705)
Prepaid expenses	(47)	(65)
GST receivable	-	26,530
Accounts payable	176,429	95,001
Deferred revenue	285,925	-
Professional fees reserve expenditures	(69,655)	(73,277)
	(38,509)	374,888
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets	(103,614)	(181,654)
Computer enhancement reserve expenditures	(130,948)	(45,338)
Proceeds from sale of fixed assets	91	454
	(234,471)	(226,538)
(DECREASE) INCREASE IN CASH AND TEMPORARY INVESTMENTS	(272,980)	148,350
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	1,603,600	1,455,250
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	$ 1,330,620	$ 1,603,600

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY
Notes to the Financial Statements
December 31, 2000

1. STATUTORY AUTHORITY

The Saskatchewan Assessment Management Agency (SAMA) was established on March 1, 1987 and amended on June 1, 1994 under the authority of The Assessment Management Agency Act.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

Operating grants received from the Province of Saskatchewan are recorded as revenue according to the time period specified by the Province.

b) Temporary Investments

Investments are stated at the lower of cost and market value.

c) Accounts Receivable

Amounts received from the Province of Saskatchewan under the terms of a transition agreement for reimbursement of employee travel advances have been recorded as a reduction of these advances.

d) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated using the diminishing balance method, except for leasehold improvements and mainframe computer equipment, which are being amortized using the straight-line method over the lives of the leases.

Amounts received from the Province of Saskatchewan in 1987 under the terms of a transition agreement for acquisition of fixed assets have been recorded as a reduction of these assets.

e) Computer Software Development Costs

Computer software development costs are expensed as period costs.

f) Equity in Fixed Assets

In 1994, the Agency adopted the policy to account for the equity in fixed assets separate from the accumulated operating surplus. The balance includes net book value of fixed assets less related liabilities and amount contributed by Saskatchewan Property Management Corporation.

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY
Notes to the Financial Statements
December 31, 2000

3. GST

During 1991 Canada Customs and Revenue Agency (CCRA) assessed SAMA's operations as commercial activities entitling the organization to recover 100% of GST paid. A subsequent audit by CCRA confirmed their 1991 opinion. In 1999, CCRA issued a GST Ruling based upon an amendment to the Excise Tax Act. CCRA's opinion is that this amendment reverses their previous position and now calculates SAMA's entitlement from 100% to 57.14% of GST paid. Accordingly, a liability of $190,458 was recorded in 1999 even though the resolution of this issue has not been finalized. SAMA will continue to pursue its options regarding the GST issue in 2001.

4. FIXED ASSETS

	Rate	Cost	Accumulated Depreciation	Net Book Value 2000	Net Book Value 1999
Computer disc drives under capital leases	40%	$ 147,343	$ 145,979	$ 1,364	$ 2,223
Mainframe computer equipment	1/5	1,062,591	1,062,591	-	-
Desktop computer equipment	40%	1,214,691	918,324	296,367	324,774
Furniture and equipment	20%	399,437	176,952	222,485	226,552
Leasehold improvements		332,601	294,605	37,996	50,436
		3,156,663	2,598,451	558,212	603,985
Less transition grant		(276,840)	-	(276,840)	(276,840)
		$ 2,879,823	$ 2,598,451	$ 281,372	$ 327,145

5. DEFERRED REVENUE

Under Section 18(2) of The Assessment Management Agency Act, the Agency is entitled to receive an annual operating grant of $4,000,000 (1999 - $4,000,000) from the Province of Saskatchewan. In addition, under Section 18(3) of the Act, the Province provided an additional grant of $150,000 (1999 - $150,000). Additional grants received prior to December 31, 1999 recorded as deferred grant revenue have been included in the current year's operating grant.

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY
Notes to the Financial Statements
December 31, 2000

6. EQUITY IN FIXED ASSETS

	2000	1999
Balance, beginning of year	$ 327,145	$ 313,545
Allocation during the year	(45,773)	13,600
Balance, end of year	$ 281,372	$ 327,145

7. RESERVES

	2000	1999
Reserve for Communications	$ 50,000	$ 50,000
Reserve for Computer Enhancements	673,962	304,910
Reserve for Professional Fees	191,209	110,864
Reserve for Travel	130,000	130,000
	$ 1,045,171	$ 595,774

a) Reserve for Communications

In 1999, a reserve of $50,000 was established to provide for the purchase of goods and services required for communication costs related to the implementation of the 2001 assessment revaluation system. The balance as at December 31, 2000 is net of approved expenditures of nil.

b) Reserve for Computer Enhancements

A reserve for computer enhancements was established in 1993 to provide for the purchase of computer software and equipment necessary for assessment revaluation processes. In 2000, $500,000 (1999 – nil) was transferred to the reserve and approved expenditures were $130,948 (1999 - $45,338).

c) Reserve for Professional Fees

In 1995, a reserve was established to provide for the purchase of legal, appraiser and other professional services related to property appeals and defense of value arising from the 1997 assessment revaluation. In 2000, $150,000 (1999 – $85,000) was transferred to the reserve and approved expenditures were $69,655 (1999 – $73,277).

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY
Notes to the Financial Statements
December 31, 2000

7. RESERVES – Continued

d) Reserve for Travel

In 1996, a reserve was established to provide for travel costs that will be incurred in future years relating to the physical reinspection of property in municipalities. The balance as at December 31, 2000, is net of approved expenditures of nil (1999 – nil).

8. COMMITMENTS

Beginning November 1, 1998, the Agency entered into a five (5) year lease agreement with AMOS Development Corp. for monthly payments of $2,300.00.

Beginning March 1, 1998, the Agency entered into a five (5) year lease agreement with Melfort Mall Ltd. for monthly payments of $1,926.00.

Beginning November 1, 1998, the Agency entered into a five (5) year lease agreement with Royal Trust Corporation of Canada for monthly payments of $17,050.00.

Beginning April 1, 1999, the Agency entered into a six year and seven month lease agreement with Saskatchewan Property Management Corporation for monthly payments of $11,366.00.

9. COMPARATIVE FIGURES

Certain figures have been reclassified to conform to the current year's presentation.

AUDITORS' REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

We have examined the statement of financial position of the Saskatchewan Auto Fund as at December 31, 2000 and the statements of operations and Rate Stabilization Reserve (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the management of Saskatchewan Government Insurance as administrators of the Fund. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

February 12, 2001

STATEMENT OF FINANCIAL POSITION

December 31	2000	1999
	(thousands of $)	
Assets		
Cash and treasury bills (note 3)	$ 80,091	$ 66,160
Accounts receivable (note 4)	68,789	54,073
Deferred policy acquisition costs	12,018	9,671
Prepaid expenses and inventories	3,856	3,806
Investments (note 5)	592,512	500,133
Net investment in capital leases (note 6)	6,659	7,077
Capital assets (note 7)	31,450	30,498
	$795,375	$671,418
Liabilities		
Accounts payable and accrued charges	$ 15,178	$ 13,457
Premium taxes payable	21,424	17,162
Provision for unpaid claims (note 8)	586,848	525,250
Unearned premiums	188,796	177,683
	812,246	733,552
Rate Stabilization Reserve (deficit)	(16,871)	(62,134)
	$795,375	$671,418

Commitments (note 13)

(see accompanying notes)

STATEMENT OF OPERATIONS AND RATE STABILIZATION RESERVE (DEFICIT)

year ended December 31	2000	1999
	(thousands of $)	
Premiums written	$ 446,714	$ 427,551
Premiums earned	$ 435,842	$ 413,852
Claims incurred	409,876	384,324
Issuer fees	13,327	11,561
Premium taxes	19,195	16,611
Administrative expenses	25,831	26,736
Traffic safety programs	7,404	5,927
Total claims and expenses	475,633	445,159
Underwriting loss	(39,791)	(31,307)
Investment earnings (note 9)	69,056	44,543
Other income (note 10)	15,998	16,252
Increase to Rate Stabilization Reserve (deficit)	45,263	29,488
Rate Stabilization Reserve (deficit), beginning of year	(62,134)	(91,622)
Rate Stabilization Reserve (deficit), end of year	$ (16,871)	$ (62,134)

(see accompanying notes)

STATEMENT OF CASH FLOWS

year ended December 31	2000	1999
	(thousands of $)	
Cash provided by (used for) operating activities		
Net increase to Rate Stabilization Reserve (deficit)	$ 45,263	$ 29,488
Non-cash items:		
Amortization	4,983	5,738
Realized gain on disposal of investments and capital assets	(31,745)	(14,090)
Income from equity investment	99	25
Investment write downs	2,641	1,203
Change in non-cash operating items:		
Accounts receivable	(14,716)	(17,736)
Deferred policy acquisition costs	(2,347)	(2,306)
Prepaid expenses and inventories	(50)	(622)
Accounts payable and accrued charges	1,721	(7,279)
Premium taxes payable	4,262	938
Provision for unpaid claims	61,598	32,218
Unearned premiums	11,113	14,233
	82,822	41,810
Cash provided by (used for) investing activities		
Purchases of investments	(608,674)	(628,336)
Proceeds on sale of investments	555,811	596,259
Repayment of capital leases	418	378
Purchases of capital assets	(5,546)	(6,950)
Proceeds on disposal of capital assets	27	56
	(57,964)	(38,593)
Increase in cash and cash equivalents	24,858	3,217
Cash and cash equivalents:		
Balance, beginning of year	32,083	28,866
Balance, end of year	56,941	32,083
Plus treasury bills greater than 91 days to maturity from acquisition date	23,150	34,077
Cash and treasury bills per statement of financial position	$ 80,091	$ 66,160

(see accompanying notes)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2000

1. STATUS OF THE FUND

The Saskatchewan Auto Fund (the Fund) was established effective Jan. 1, 1984 by an amendment to the *Automobile Accident Insurance Act* (Chapter A-35, Revised Statutes of Saskatchewan, 1978).

The Rate Stabilization Reserve (deficit) is held on behalf of Saskatchewan's motoring public and is not used for the payment of general dividends.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Fund are in accordance with Canadian generally accepted accounting principles. The following are considered to be significant:

Deferred policy acquisition costs

Premium taxes and issuer fees are deferred and then charged to expense over the terms of the insurance policies to which such costs relate. The method followed in determining the deferred policy acquisition costs limits the amount of the deferral to the amount recoverable from unearned premiums after giving consideration to investment income, as well as claim and adjustment expenses expected to be incurred as the premiums are earned.

Investments

Bonds, debentures and mortgages are recorded at amortized cost. Treasury bills, shares, pooled funds and real estate are valued at cost. Investments are written down when there is a decline in value that is other than temporary. Dividends on common shares are recognized as income on their record dates. Gains and losses on the sale of investments are recognized on the date of settlement.

The Fund owns a 20% interest in SGI CANADA Insurance Services Ltd. (SCISL), a company formed to sell insurance products in provinces other than Saskatchewan. The investment in SCISL is recorded on the equity basis, whereby the carrying value of the investment is adjusted by the Fund's share of SCISL's earnings or losses and reduced by cash received.

The Fund has a one-third interest in a real estate joint venture, which is accounted for using proportionate consolidation. The resulting income producing property is amortized over its estimated useful life of 50 years on a sinking fund basis. The other interests in this joint venture are SaskPen and a private sector investor. SaskPen is a real estate corporation owned by Province of Saskatchewan employee pension plans.

Capital leases

Investment earnings related to direct financing leases are recognized in a manner that produces a constant rate of return on the investment in each lease. The net investment in leases is composed of net minimum lease payments less unearned finance income.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded on a straight-line basis, commencing in the year in which the assets are placed in service, over their estimated useful lives as follows:

Buildings	2½ - 5%
Computer hardware, system costs and other equipment	20 - 50%

Provision for unpaid claims

The provision for unpaid claims represents an estimate of the total cost of claims to the year-end date. Included in the estimate are reported claims, claims incurred but not reported and an estimate of adjustment expenses to be incurred on these claims. The provision is calculated without discounting except for long-term disability claims. The estimates are necessarily subject to uncertainty and are selected from a range of possible outcomes. During the life of the claim, adjustments to the estimates are made as additional information becomes available. The change in outstanding losses plus paid losses is reported as claims incurred in the current period.

Premiums

Premiums written are taken into income over the terms of the related policies. Unearned premiums represent the portion of the policy premiums relating to the unexpired term of each policy.

Foreign currency translation

Monetary items denominated in foreign currency are translated at the exchange rate in effect at the year-end. Investments, revenues and expenses are translated at the exchange rate in effect at the transaction date. Unrealized gains and/or losses arising on translation are charged to operations in the current year.

Cash and cash equivalents

Cash and cash equivalents in the cash flow statement consist of cash on hand and treasury bills with a maturity of 91 days or less from the date of acquisition.

3. CASH AND TREASURY BILLS

Cash and treasury bills, which comprise treasury bills and commercial paper, have an average effective interest rate of 6.1% (1999 – 5.1%) and an average remaining term to maturity of 82 days (1999- 103 days). The Fund's investment policy states that securities investments must meet minimum investment standards of R-1, or R-2 high for Canadian grain companies, as rated by a recognized credit rating service.

Holdings for any one issuer, other than the Government of Canada or a Canadian province, are limited to 10% of the market value of the short-term portfolio.

4. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	(thousands of $)	
	2000	1999
Financed premiums receivable	$50,953	$37,613
Licence issuers receivable	5,333	4,071
Accrued investment income	4,781	3,332
Amount recoverable on paid claims	3,154	2,804
Other	4,568	6,253
Total accounts receivable	$68,789	$54,073

5. INVESTMENTS

The carrying value and fair value of the Fund's investments are as follows:

	(thousands of $)			
	2000		1999	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Bonds and debentures	$292,752	$299,890	$270,033	$264,421
Pooled bond fund	123,093	125,104	105,893	105,873
Common shares	112,906	145,566	74,767	118,333
Pooled equity fund	27,855	29,289	24,922	38,408
Mortgages	23,977	24,318	12,425	12,531
Income producing property	10,428	11,500	10,493	11,500
	591,011	$635,667	498,533	$551,066
Investment in SGI CANADA Insurance Services Ltd.	1,501		1,600	
Total investments	$592,512		$500,133	

The income producing property consists of land and buildings with costs of $1,451,000 (1999 – $1,451,000) and $9,446,000 (1999 – $9,446,000) respectively and accumulated amortization of $469,000 (1999 – $404,000).

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Bonds and debentures:
The Fund's investment policy limits its investment concentration in any one investee or related group of investees to 10% of the market value of the investment assets for corporate bonds and debentures and 20% for bonds and debentures issued by any one province. Also, a minimum of BBB is placed on the investment grade of bonds and debentures that may be purchased.

The carrying value and average effective interest rates are shown below by contractual maturity. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties. The carrying values are essentially the same as the principal values and therefore the average effective rates are not materially different from the coupon rates. Interest is generally payable on a semi-annual basis.

(thousands of $)

	2000		1999	
Term to Maturity (years)	Carrying Value	Average Effective Rates	Carrying Value	Average Effective Rates
Government of Canada:				
After one through five	$ 80,404	5.8%	$ 59,946	5.7%
After five	89,799	5.6%	116,594	5.7%
Canadian provincial & municipal:				
After one through five	14,373	5.9%	13,926	5.5%
After five	39,460	6.2%	28,186	6.1%
Canadian corporate:				
One or less	-	-	840	6.1%
After one through five	27,998	6.6%	22,936	6.2%
After five	40,718	7.0%	27,605	6.9%
Total bonds & debentures	$ 292,752		$ 270,033	

Included in bonds and debentures above are bonds denominated in United States dollars with a carrying value of $1,738,000 (1999 – $4,668,000). Principal and interest is receivable on a semi-annual basis in United States dollars. In order to minimize the risk of foreign exchange fluctuations, the Fund has hedged this risk by purchasing United States dollar forward exchange contracts.

(ii) Pooled bond fund:
The Fund owns units in a pooled bond fund that has no fixed interest rate and its returns are based on the success of the fund manager and future interest rates.

(iii) Pooled equity fund:
The Fund owns units in a pooled equity fund that has no fixed interest rate and its returns are based on the success of the fund manager.

(iv) Common shares:
Common shares have no fixed maturity dates and are generally not exposed to interest rate risk. Dividends are generally declared on an annual basis. The average effective rate is 1.7% (1999 – 1.9%).

Common shares include $22,076,000 (1999 – $15,803,000) denoted in United States dollars.

The Fund's investment policy limits its investment concentration in any one investee or related group of investees to 10% of the market value of the Fund's common shares. As well, no one holding may represent more than 10% of the voting shares of any corporation.

(v) Mortgages:
The mortgage portfolio consists entirely of Canadian commercial mortgages with an average effective interest rate of 7.4% (1999 – 7.5%) with an average maturity of 6.4 years (1999 – 4.2 years). Principal and interest is receivable on a monthly basis.

6. NET INVESTMENT IN CAPITAL LEASES

One of the Fund's capital leases is a 63% interest in a lease agreement with Saskatchewan Property Management Corporation, a related party, for a term of 30 years (expiring March 2011) on property in Prince Albert, Saskatchewan. The related party total minimum lease payments receivable is $10,194,000 (1999 – $11,190,000) and unearned income is $3,839,000 (1999 – $4,495,000).

Each lease transfers substantially all of the benefits and risks incident with the ownership of the property to the lessee. The Fund's total net investment in capital leases includes the following:

	(thousands of $)	
	2000	1999
Total minimum lease payments receivable ($1,106,000 per year)	$ 10,546	$ 11,652
Unearned income	(3,887)	(4,575)
Net investment in capital lease	$ 6,659	$ 7,077

The fair value of the net investment in capital leases is $7,606,000 (1999 – $8,070,000).

7. CAPITAL ASSETS

The components of the Fund's investment in capital assets, as well as the related accumulated amortization, are as follows:

(thousands of $)

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 6,960	$ -	$ 6,960	$ 5,160
Buildings and improvements	29,966	11,325	18,641	18,239
Computer hardware, system costs and other equipment	26,243	20,394	5,849	7,099
Total	$63,169	$31,719	$31,450	$30,498

Amortization for the year is $4,569,000 (1999 - $4,895,000).

8. PROVISION FOR UNPAID CLAIMS

(i) Nature of unpaid claims:

The establishment of the provision for unpaid claims is based on known facts and interpretation of circumstances and is therefore a complex process influenced by a large variety of factors. Measurement of the provision is uncertain due to claims that are not reported to the Fund at the year-end date and therefore estimates are made as to the value of these claims. As well, uncertainty exists for reported claims that have not been settled, as all the necessary information may not be available at the balance sheet date.

Factors used to estimate the provision include: the Fund's experience with similar cases, historical trends involving claim payments, the characteristics of the class of business, claim severity and claim frequency such as those caused by natural disasters, the effect of inflation on future claims, court decisions and economic conditions. Time is also a critical factor in determining the provision, since the longer it takes to settle and pay a claim the more variable the ultimate settlement amount will be. Accordingly, short-tail claims such as damage claims tend to be more reasonably predictable than long-tail claims such as long-term disability and liability claims.

As a result, the establishment of the provision for unpaid claims relies on a number of factors and on the judgment and opinions of a large number of individuals, which necessarily involves risk that the actual results may differ materially from the estimates.

The Auto Fund settles some long-term disability claims by purchasing structured settlements from various financial institutions. As part of the settlement, the Fund provides a financial guarantee to claimants in the event the institutions default on scheduled payments. The net present value of these expected payments as of the balance sheet date total $24,452,000 (1999 - $24,438,000).

Included in the provision for unpaid claims are discounted amounts for injury accident benefits in the amount of $384,400,000 (1999 – $337,550,000). These claims have been discounted using a rate of 2.5 to 6% to take account of the time value of money and include a provision for adverse development.

Changes in the estimate for the provision for unpaid claims in 2000 and 1999 are as follows:

	(thousands of $)	
	2000	1999
Net unpaid claims – beginning of year	$525,250	$493,032
Payments made during the year relating to prior year claims	(125,708)	(139,769)
Deficiency relating to prior year estimated unpaid claims	328	2,285
Net unpaid claims for claims of prior years	399,870	355,548
Provision for claims occurring in the current year	186,978	169,702
Net unpaid claims – end of year	$586,848	$525,250

(ii) Type of unpaid claims:

The provision for unpaid claims is summarized by type of claim as follows:

	(thousands of $)	
	2000	1999
Injury accident benefits	$ 404,210	$ 356,974
Injury liability	124,205	126,146
Damage	58,433	42,130
Total	$ 586,848	$ 525,250

9. INVESTMENT EARNINGS

The components of investment earnings are as follows:

	(thousands of $)	
	2000	1999
Interest and dividends	$ 38,398	$ 29,884
Realized gains on sale of investments	31,743	14,137
Income from income producing property, net of operating costs of $814,000 (1999 - $777,000)	868	998
Income from capital leases	688	727
Investment write down	(2,641)	(1,203)
Total investment earnings	$ 69,056	$ 44,543

Cash inflows from the income producing property are $1,110,000 (1999 – $1,103,000).

10. OTHER INCOME

The Fund operates a Salvage division in order to maximize the derived economic value of salvageable vehicles, vehicle parts and materials available through the claim settlement process. In 2000, total salvage sales were $21,582,000 (1999 – 21,445,000); gross earnings on sales were $7,617,000 (1999 – $7,765,000); and net earnings were $4,589,000 (1999 – $4,803,000). The net earnings of the Salvage division are included in other income.

The Fund offers a Short-Term Vehicle Registration and Insurance plan which allows the motoring public to choose the number of months they wish to insure and register their vehicle. Another payment option, AutoPay, allows the motoring public to have equal monthly withdrawals made from their bank accounts for their vehicle registration and insurance. Included in other income is $11,418,000 (1999 – $11,473,000) for fees charged to users of these plans.

11. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Transactions and amounts outstanding at year end are as follows:

	(thousands of $)	
Category	2000	1999
Accounts receivable	$ 2,483	$ 4,361
Deferred policy acquisition costs	9,144	6,915
Investments	5,103	3,438
Accounts payable and accrued charges	516	352
Premium taxes payable	21,424	17,162
Provision for unpaid claims	2,097	2,443
Unearned premiums	2,156	2,021
Premiums written	5,261	5,016
Premiums earned	5,133	4,854
Investment earnings	41	874
Claims incurred	16,778	17,164
Premium taxes	19,195	16,611
Administrative expenses	1,796	1,907
Traffic safety programs	1,765	1,536

Saskatchewan Government Insurance (SGI) acts as administrator of the Fund. Administrative and claim adjustment expenses incurred by SGI are allocated to the Fund and SGI directly or on the basis of specific distributions. Amounts incurred by SGI and charged to the Fund were $68,155,000 (1999 – $66,920,000) and accounts payable are $2,019,000 (1999 accounts receivable – $230,000).

The Fund acts as agent for the provincial Department of Finance regarding the collection of driver and motor vehicle licence registration fees and the collection of education and health tax on certain vehicle purchase transactions. The amounts payable at the year-end date are included in the above table. The costs to administer and collect these fees and taxes on behalf of the Department of Finance are borne by the Auto Fund.

Other related party transactions are described separately in the notes.

12. FAIR VALUES

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

(i) For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments:
(a) cash and treasury bills
(b) accounts receivable
(c) accounts payable and accrued charges
(d) premium taxes payable

(ii) For the following financial instruments the fair values are considered to approximate quoted market values on recognized stock exchanges, based on the latest bid prices:
(a) bonds and debentures
(b) pooled bond fund
(c) common shares
(d) pooled equity fund

(iii) Mortgages
The fair value is calculated by discounting scheduled cash flows through to the estimated maturity of the mortgage using current interest rates.

(iv) Net investment in capital lease
The fair value is calculated by discounting scheduled cash flows through to the estimated expiration of the lease using current interest rates.

(v) Provision for unpaid claims
The fair value of the provision for unpaid claims has been omitted because it is not practicable to determine fair value with sufficient reliability (note 8).

13. COMMITMENTS

The Fund has contractual obligations to provide funding to Saskatchewan health organizations for costs associated with research and rehabilitation of victims of automobile accidents. The funding to be provided over the next five years is anticipated to be $19.5 million.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Centre of the Arts Fund as at March 31, 2001 and the statements of operations and changes in fund balances, and cash flows for the year then ended. The Centre's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 5, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

SASKATCHEWAN CENTRE OF THE ARTS FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001				2000
	Operating Fund	Campaign Fund	Impresario Fund	Total	Total
ASSETS					
Current:					
Cash (Note 3)	$ —	$ 266,712	$ —	$ 266,712	$ 65,030
Accounts receivable (Note 3)	231,654	—	—	231,654	330,076
Inventory	52,757	—	—	52,757	60,239
	284,411	266,712	—	551,123	455,345
Capital assets (Note 4)	60,563	34,958	—	95,521	145,518
Total Assets	$ 344,974	$ 301,670	$ —	$ 646,644	$600,863
LIABILITIES AND FUND BALANCES					
Current:					
Due to (from) other funds (Note 10)	$ 439,325	$ (272,430)	$ (166,895)	$ —	$ —
Accounts payable and accrued charges (Note 3)	455,591	—	—	455,591	344,949
Advance sales and deposits (Note 3)	191,695	—	—	191,695	303,966
	1,086,611	(272,430)	(166,895)	647,286	648,915
Fund balances:					
Invested in capital assets	60,563	34,958	—	95,521	145,518
Externally restricted (Note 8)	—	479,143	—	479,143	452,564
Internally restricted (Note 9)	—	59,999	166,895	226,894	209,674
Unrestricted	(802,200)	—	—	(802,200)	(855,808)
Total Fund balances (Statement 2)	(741,637)	574,100	166,895	(642)	(48,052)
Total Liabilities and Fund Balances	$ 344,974	$ 301,670	$ —	$ 646,644	$600,863

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN CENTRE OF THE ARTS FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
For the Year Ended March 31

	General Funds							Restricted (Note 8)	
	Operating Fund			Impresario Fund		Total		Campaign Fund	
	2001		2000	2001	2000	2001	2000	2001	2000
	Budget (Note 6)	Actual (Schedule 1)	Actual (Schedule 1)						
Revenues	$ 3,121,000	$ 3,287,750	$ 2,940,548	$ 25,689	$ 31,365	$ 3,313,439	$ 2,971,913	$ —	$ —
Cost of sales	1,868,721	1,981,763	1,752,378	8,469	21,542	1,990,232	1,773,920	—	—
Gross Profit	1,252,279	1,305,987	1,188,170	17,220	9,823	1,323,207	1,197,993	—	—
Donations	—	—	—	—	—	—	—	41,207	176,500
Total revenues	1,252,279	1,305,987	1,188,170	17,220	9,823	1,323,207	1,197,993	41,207	176,500
Expenses:									
Salaries and benefits	1,112,759	1,122,442	1,061,798	—	—	1,122,442	1,061,798	—	—
Utilities	319,000	381,433	308,065	—	—	381,433	308,065	—	—
General and administration	156,000	147,770	149,780	—	—	147,770	149,780	—	—
Amortization	87,302	55,880	75,600	—	—	55,880	75,600	34,479	29,603
Total expenses	1,675,061	1,707,525	1,595,243	—	—	1,707,525	1,595,243	34,479	29,603
(Deficiency) excess of revenues over expenses before grant	(422,782)	(401,538)	(407,073)	17,220	9,823	(384,318)	(397,250)	6,728	146,897
Grant from the General Revenue Fund	425,000	425,000	425,000	—	—	425,000	425,000	—	—
Excess of revenues over expenses	$ 2,218	23,462	17,927	17,220	9,823	40,682	27,750	6,728	146,897
Fund balances, beginning of year		(765,099)	(783,026)	149,675	139,852	(615,424)	(643,174)	567,372	420,475
Fund balances, end of year (Statement 1)		$ (741,637)	$ (765,099)	$ 166,895	$ 149,675	$ (574,742)	$ (615,424)	$ 574,100	$ 567,372

(See accompanying notes to the financial statements)

Statement 3

SASKATCHEWAN CENTRE OF THE ARTS FUND
STATEMENT OF CASH FLOWS
As at March 31

	2001	2000
Cash flows from operating activities:		
Excess of revenues over expenses In General Funds (Statement 2)	$ 40,682	$ 27,750
Items not affecting cash:		
Amortization in Operating Fund	55,880	75,600
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	98,423	(43,516)
Decrease (increase) in inventory	7,482	(9,943)
Increase in accounts payable and accrued charges	110,642	67,310
(Decrease) in advance sales and deposits	(112,272)	(396,031)
Cash flows (used in) from operating activities	200,837	(278,830)
Cash flows (used in) investing activities:		
Purchase of capital assets	(40,362)	(203,374)
Cash flows from financing activities:		
Donations	41,207	176,500
Net increase (decrease) in cash	201,682	(305,704)
Cash, beginning of year	65,030	370,734
Cash, end of year	$ 266,712	$ 65,030

(See accompanying notes to the financial statements)

SASKATCHEWAN CENTRE OF THE ARTS FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Status of Centre

The Board of the Saskatchewan Centre of the Arts was established by *The Saskatchewan Centre of the Arts Act, 2000*, to maintain, operate and manage the Saskatchewan Centre of the Arts in Regina. The Act also established the Saskatchewan Centre of the Arts Fund through which all financial transactions are conducted which relate to accomplishing the purposes of the Act. Section 24(7) of the Act states that the Board is not bound by the directions of any person making a contribution to a restricted fund.

The activities of the Saskatchewan Centre of the Arts are dependent on funding from the General Revenue Fund.

2. Significant Accounting Policies

These financial statements have been prepared using Canadian generally accepted accounting principles for not-for-profit organizations. The Saskatchewan Centre of the Arts Fund follows the restricted fund method of accounting for contributions. The Saskatchewan Centre of the Arts Fund (Fund) is comprised of three funds; two of these funds do not have external restrictions while the other one is subject to external restrictions.

The Operating Fund accounts for the organization's primary operating activities. This fund reports unrestricted resources and holds capital assets (see Note 4).

The Impresario Fund has no external restrictions and is used for supporting and promoting the arts. Management needs the Board's approval to spend the assets of this fund.

The Campaign Fund reports assets (see Note 4), liabilities, revenues and expenses related to the Centre's campaign to raise funds to begin to address replacement of its programming equipment and the rejuvenation of the overall appearance of the Centre. The Campaign Fund reports resources contributed to this capital asset campaign.

The following accounting policies are considered to be significant:

a) Revenue Recognition

For the General Funds, revenue is recognized at the date of the performance and is recorded net of payments to promoters.

Donations externally restricted to the Campaign Fund are recorded as revenue when collection is certain.

b) Grant from the General Revenue Fund

The grant provided from the General Revenue Fund through the Department of Municipal Affairs, Culture and Housing is recorded in the year received or receivable.

c) Capital Assets

Capital assets are recorded at cost. Amortization is provided for using the straight-line method over the expected useful life (ranges from 3 to 5 years) of the capital asset, with a full year's amortization taken in the year of acquisition. The Centre capitalizes capital assets costing more than $1,000. Capital assets costing less than $1,000 are expensed in the year of acquisition.

Amortization is recorded in the fund where the related capital assets reside.

d) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first in, first out basis.

e) Cash

Cash consists of balances with the bank.

3. Financial Instruments

The Centre's financial instruments include cash, accounts receivable, accounts payable and accrued charges, and advance sales and deposits. These items have a fair value that approximates their carrying value due to the immediate or short-term nature of these financial instruments.

The Centre is exposed to credit risk from potential non-payment of accounts receivable. Most of the receivables were received shortly after year-end reducing the credit risk.

4. Capital Assets

a) Operating Fund

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Theatre equipment	$ 356,987	$ 340,649	$ 16,338	$ 32,676
Convention & catering equipment	128,530	120,833	7,697	4,122
Office equipment	208,017	196,446	11,571	7,953
Building equipment	828,129	812,538	15,591	27,226
Bar equipment	94,315	84,949	9,366	18,732
	$ 1,615,978	$ 1,555,415	$ 60,563	$ 90,709

b) Campaign Fund

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Theatre equipment	$ 91,383	$ 59,036	$ 32,347	$ 48,180
Convention & catering equipment	7,834	5,223	2,611	5,223
Building equipment	4,220	4,220	--	1,406
	$ 103,437	$ 68,479	$ 34,958	$ 54,809

5. Building and Site

The building and site have been leased by the Saskatchewan Property Management Corporation (SPMC) to the Saskatchewan Centre of the Arts for an annual rental of one dollar. The fair value of the building and site is not reasonably determinable. The terms of the lease provide for the Centre to keep the building, and all other property contained therein, in good repair and condition with the provision that any major maintenance, renovations and construction project costing in excess of $5,000 shall be the responsibility of SPMC. In addition, SPMC is responsible for charges by the Wascana Centre for services to the site and building as stipulated under *The Wascana Centre Act*. The current lease agreement expires July 31, 2003.

6. Budget

These amounts represent the budget approved by the Centre's Board of Directors on May 18, 2000.

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Centre by virtue of common control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled on normal trade terms. The following table summarizes the significant routine related party transactions for the year:

	2001	2000
Accounts receivable	$ 13,104	$ 88,228
Accounts payable and accrued charges	64,997	59,735
Revenues	203,865	266,146
Expenses	631,958	594,277

Other transactions and amounts due to and from related parties are described separately in the financial statements and the notes thereto.

In addition, the Centre pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

8. External Restrictions

In 1996, the Centre launched the Campaign Fund to raise funds to begin to address replacement of its capital assets including programming equipment and rejuvenation of the overall appearance of the Centre. The Centre has raised $582,580 (2000 - $541,373) to date from external sources for the Campaign Fund. To date, the Centre has used $103,437 (2000 - $88,809) from the Campaign Fund to purchase capital assets. The balance, $479,143 (2000 – $452,564), remains externally restricted to acquire capital assets and to rejuvenate the overall appearance of the Centre.

9. Internally Restricted Funds

The Board of Directors has restricted the use of $59,999 (2000 - $59,999) of the net assets available in the Campaign Fund and $166,895 (2000 - $149,675) of the net assets available in the Impresario Fund. Accordingly, these net assets are not available for Operating Fund purposes without the approval of the Board.

10. Due to (from) Other Funds

The Centre used net assets of the Campaign Fund and the Impresario Fund to finance activities in the Operating Fund. At March 31, 2001 the Operating Fund owed $439,325 (2000 - $597,208) to the Campaign and Impresario Funds. The Operating Fund does not pay interest on these amounts and no formal arrangements, including repayment terms, are in place for these loans.

11. Comparative Information

Certain comparative figures have been reclassified to conform with the current year's presentation.

Schedule 1

SASKATCHEWAN CENTRE OF THE ARTS FUND
SCHEDULE OF REVENUE AND COST OF SALES FOR THE OPERATING FUND
For the Year Ended March 31

	2001		2000
	Budget (Note 6)	Actual	Actual
Revenue:			
Catering	$ 1,020,000	$ 1,172,125	$ 969,881
Service charges	852,000	950,056	806,320
Rentals	501,000	478,417	418,226
Refreshment bar	436,000	398,004	383,275
Commissions	195,000	149,320	156,273
Office rental	55,000	53,220	55,457
Car park	—	10,534	7,266
Sundry	34,000	34,206	109,101
Coat check	20,000	22,455	18,730
Investment income	8,000	19,413	16,019
Total revenue (Statement 2)	3,121,000	3,287,750	2,940,548
Cost of sales:			
Salaries and benefits	956,826	910,463	817,349
Food and beverages	513,020	519,459	485,775
Supplies, services and maintenance	291,725	423,375	362,535
Other	107,150	128,466	86,719
Total cost of sales (Statement 2)	1,868,721	1,981,763	1,752,378
Gross profit (Statement 2)	$ 1,252,279	$ 1,305,987	$ 1,188,170

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of The Saskatchewan Legal Aid Commission as at March 31, 2001 and the statements of operations and changes in net assets, and cash flows for the year then ended. The Commission's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

F Wendel

Regina, Saskatchewan
June 1, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

THE SASKATCHEWAN LEGAL AID COMMISSION
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
ASSETS		
Current		
Cash	$ 740,007	$ 538,143
Accounts receivable	8,403	66,449
Prepaid expense	83,703	87,781
Total current assets	832,113	692,373
Capital assets (Note 4)	519,964	482,444
	$ 1,352,077	$ 1,174,817
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 846,113	$ 770,030
NET ASSETS		
Investment in capital assets fund	519,964	482,444
Unrestricted	(14,000)	(77,657)
	505,964	404,787
	$ 1,352,077	$ 1,174,817

(See accompanying notes to the financial statements)

Statement 2

THE SASKATCHEWAN LEGAL AID COMMISSION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
Year Ended March 31

	2001				2000
	Operating Fund Budget	Operating Fund Actual	Investment in Capital Assets Fund Actual	Total	Total
Revenue: (Note 2)					
Department of Justice	$ 10,897,000	$ 10,897,000	$ ---	$ 10,897,000	$10,565,000
Other	127,104	155,207	---	155,207	124,807
	11,024,104	11,052,207	---	11,052,207	10,689,807
Expenses:					
Salaries and employee benefits	7,924,354	7,887,466	---	7,887,466	7,459,399
Central Office administrative (Schedule 1)	231,465	269,394	44,335	313,729	246,004
Area Office administrative and operating expenses (Schedule 1)	1,245,128	1,279,240	174,228	1,453,468	1,399,946
Provision of legal services	763,000	689,977	---	689,977	877,398
Other legal expenses	175,000	183,180	---	183,180	146,351
Travel	407,000	418,556	---	418,556	379,387
Loss on disposal of fixed assets	---	---	4,654	4,654	10,947
	10,745,947	10,727,813	223,217	10,951,030	10,519,432
Excess (deficiency) of revenue over expenses	278,157	324,394	(223,217)	101,177	170,375
Fund Balances, beginning of year	(77,657)	(77,657)	482,444	404,787	234,412
Transfer between funds (Note 10)	(200,500)	(260,737)	260,737	---	---
Fund Balances, end of year	$ ---	$ (14,000)	$ 519,964	$ 505,964	$ 404,787

(See accompanying notes to the financial statements)

Statement 3

THE SASKATCHEWAN LEGAL AID COMMISSION
STATEMENT OF CASH FLOWS
As at March 31

	2001	2000
Cash provided by (used in)		
OPERATING ACTIVITIES		
Excess of revenue over expenses Operating Fund (Statement 2)	$ 324,394	$ 383,856
Net change in non-cash working capital (note 6)	138,207	(166,394)
Net cash provided by operating activities	462,601	217,462
INVESTING ACTIVITIES		
Purchase of Capital Assets	(260,737)	(310,441)
Net increase (decrease) in cash	201,864	(92,979)
Cash, beginning of year	538,143	631,122
Cash, end of year	$ 740,007	$ 538,143

(See accompanying notes to the financial statements)

THE SASKATCHEWAN LEGAL AID COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

The Legal Aid Act came into force on September 1, 1983 by Order in Council 1275/83 and continued The Saskatchewan Community Legal Services Commission as a body corporate under the name of The Saskatchewan Legal Aid Commission. The purpose of the Commission is to provide legal services to persons and organizations for criminal and civil matters where those persons and organizations are financially unable to secure those services from their own resources.

1. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a) Fund Accounting

The Commission follows the restricted fund method of accounting for contributions. For financial reporting purposes, the following major funding groups are:

Operating Fund (unrestricted assets)

The Operating Fund reflects the primary operations of the Commission including revenue from the Department of Justice for the provision of legal services.

Investment in Capital Assets Fund (restricted assets)

Investment in Capital Assets Fund reflects the equity of the Commission in capital assets. This fund includes any grants designated for the acquisitions of capital assets. The Commission would also impose a restriction that any capital purchases made with operating funds would be recorded as an interfund transfer. Expenses consist primarily of amortization of capital assets.

b) Capital Assets

Capital assets are recorded at cost. Normal repairs and maintenance are expensed as incurred. The capital assets are reduced annually by an amount representing the consumed cost of the asset calculated as follows:

Office Equipment and Furniture	14 2/7% per annum
Library	33 1/3% per annum

2. Revenues

The following are included in revenue:

a) Unrestricted contributions are recognized as revenue of the operating fund in the year received or receivable.

Other revenue is comprised of client contributions, cost recoveries, interest and miscellaneous receipts.

b) Restricted contributions related to capital assets are recognized as revenue of the investment in capital assets fund in the year received or receivable.

3. Pension Plan

The Commission participates in a defined contribution pension plan for the benefit of its employees. The Commission's financial obligation to The Staff Pension Plan for Employees of The Saskatchewan Legal Aid Commission (Plan) is limited to making regular payments to match the amounts contributed by the employees for current service. The Commission's annual pension expense for 2001 amounted to $357,657 (2000 - $370,537).

The Plan is administered and sponsored by a joint trustees arrangement. The joint trustees consist of four members, two appointed by the Commission and two appointed by C.U.P.E. Local 1949. Day-to-day administration is provided by the Commission for the Trustees without charge to the Plan. The administration expenses of the Plan are initially paid by the Commission and are subsequently refunded by the Plan. As at March 31, 2001, the Plan owed the Commission $nil (2000 - $5,676).

4. Capital Assets

Capital assets are comprised of the following amounts:

	2001			2000		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office equipment and furniture	$1,086,220	$ 632,868	$453,352	$ 980,232	$ 564,642	$ 415,590
Library	1,074,909	1,008,297	66,612	1,036,158	969,304	66,854
	$2,161,129	$1,641,165	$519,964	$2,016,390	$ 1,533,946	$ 482,444

5. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Commission by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Facilities, vehicle rentals, office supplies, and miscellaneous office services are acquired from a related party. These transactions are recorded at rates which are determined primarily on the basis of recovery of the costs incurred by the related party. These transactions and amounts outstanding at year end are as follows:

	2001	2000
Expenses	$ 984,259	$ 867,790
Accounts payable	19,962	13,568
Accounts receivable	---	25,361

Other operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year end are as follows:

	2001	2000
Expenses	$ 364,594	$ 299,560
Accounts payable	2,873	3,107

In addition, the Commission pays Saskatchewan Education and Health Tax on all its taxable purchases. The Commission also received transcripts without charge from the Department of Justice, Transcript Services.

During the year, the Commission made a payment in the amount of $21,155 (2000 - $21,155) to the Saskatchewan Legal Aid Commission Benefit Plan Surplus Fund. The intent of this fund is to cover increased premium costs of the extended health care benefits for members of C.U.P.E. Local 1949 in accordance with the Collective Bargaining Agreement. The increased premium costs are initially paid by the Commission and for 2001 the Fund reimbursed the Commission $15,638 (2000 - $4,215) for the increased premium costs.

Other transactions with related parties and amounts due to or from them are described separately in these financial statements and the notes thereto.

6. Net Change in Non-Cash Working Capital Balances Related to Operations

	2001	2000
Decrease (increase) in accounts receivable	$ 58,046	$ (51,779)
Decrease in prepaid expenses	4,078	5,257
Increase (decrease) in accounts payable and accrued liabilities	76,083	(119,872)
Net change in non-cash working capital balances related to operations	$ 138,207	$ (166,394)

7. Financial Instruments

Financial instruments consist of:

Cash
Accounts receivable
Accounts payable

a) Significant terms and conditions

There are no significant terms and conditions related to financial instruments that may affect the amount, timing and certainty of future cash flows.

b) The carrying value of the financial instruments approximate fair value due to their immediate or short-term nature.

8. Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of accounts payable and accrued liabilities at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

9. Budget

These amounts represent the budget approved by members of The Saskatchewan Legal Aid Commission.

10. Interfund Transfers

The Commission internally restricted and transferred from the Operating Fund to the Capital Fund $260,737 (2000 - $310,441) for the purchase of capital assets.

Schedule 1

THE SASKATCHEWAN LEGAL AID COMMISSION
SCHEDULE OF ADMINISTRATIVE AND OPERATING EXPENSES
Year Ended March 31

	2001		2000
Central Office Administrative	Budget	Operating Fund Actual	Operating Fund Actual
Leased accommodation	$ 41,198	$ 37,113	$ 37,152
Telephone	28,421	17,186	22,320
Computer Maintenance and Support	9,994	80,641	60,426
Postage	7,200	7,355	6,949
Stationery and office supplies	10,200	8,446	2,054
Periodicals	3,762	3,690	3,337
Photocopying	3,940	4,031	3,597
Other operating expenses	126,750	110,932	69,531
Total Central Office Administrative	$ 231,465	$ 269,394	$ 205,366
Area Office Administrative and Operating Expenses			
Leased accommodation	$ 733,335	$ 725,543	$ 614,511
Telephone	180,929	169,732	161,604
Computer Maintenance and Support	65,506	79,172	171,491
Postage	34,800	30,457	32,088
Stationery and office supplies	69,800	81,569	69,325
Periodicals	33,398	35,330	49,675
Photocopying	39,410	35,980	37,007
Other operating expenses	87,950	121,457	102,349
Total Area Office Administrative and Operating Expenses	$ 1,245,128	$ 1,279,240	$ 1,238,050

KPMG LLP
Chartered Accountants

AUDITORS' REPORT

We have audited the balance sheet of Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation as at March 31, 2001 and the statements of restricted fund balances, financial activities and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

May 11, 2001

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation

Balance Sheet

March 31, 2001 with comparative figures for 2000

	2001	2000
Assets		
Current assets:		
Cash	$ 6,599,885	$ 5,455,852
Accrued interest receivable	596,025	445,609
Due from Western Canada Lottery - Saskatchewan Division Inc.	8,634,542	8,373,379
	15,830,452	14,274,840
Investments (note 3)	21,191,927	19,897,342
	$ 37,022,379	$ 34,172,182
Liabilities and Restricted Fund Balances		
Current liabilities:		
Accounts payable	$ 136,938	$ 1,323,559
Grants payable (note 4)	14,939,879	14,966,570
	15,076,817	16,290,129
Restricted fund balances: (note 1)		
Canada Games Program	3,097,725	2,000,000
Community Grant Program	574,762	941,352
Culture	6,537,794	5,143,183
Recreation	3,044,379	2,809,745
Sport	8,690,902	6,987,773
	21,945,562	17,882,053
	$ 37,022,379	$ 34,172,182

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation

Statement of Restricted Fund Balances

Year ended March 31, 2001 with comparative figures for 2000

	Canada Games Program	Community Grant	Culture	Recreation	Sport	2001 Total	2000 Total
Fund balance, beginning of year	$ 2,000,000	$ 941,352	$ 5,143,183	$ 2,809,745	$ 6,987,773	$ 17,882,053	$ 13,816,131
Transfers between funds	-	(250,000)	87,500	37,500	125,000	-	-
	2,000,000	691,352	5,230,683	2,847,245	7,112,773	17,882,053	13,816,131
Allocation of funds available for granting	1,500,000	4,570,000	8,971,590	3,844,967	11,316,557	30,203,114	29,714,308
Grants approved	(402,275)	(4,686,590)	(7,664,479)	(3,647,833)	(9,738,428)	(26,139,605)	(25,648,386)
Increase (decrease) in fund balance	1,097,725	(116,590)	1,307,111	197,134	1,578,129	4,063,509	4,065,922
Fund balance, end of year	$ 3,097,725	$ 574,762	$ 6,537,794	$ 3,044,379	$ 8,690,902	$ 21,945,562	$ 17,882,053

See accompanying notes to financial statements.

Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation

Statement of Financial Activities

Year ended March 31, 2001 with comparative figures for 2000

	2001	Budget 2001	2000
Transfer of net lottery profits from Western Canada Lottery - Saskatchewan Division Inc. (Schedule 1)	$ 45,064,729	$ 41,854,548	$ 47,101,775
Directed payments: (note 5)			
Federal payment	1,788,668	1,858,240	1,810,805
Former distributors	1,491,280	1,500,000	1,494,080
Payment to the General Revenue Fund	12,204,916	11,159,570	14,316,530
Saskatchewan Exhibition Association	310,000	310,000	310,000
	15,794,864	14,827,810	17,931,415
Lottery profits after directed payments	29,269,865	27,026,738	29,170,360
Interest income	1,324,488	660,000	912,311
Administration expenses (Schedule 2)	391.239	406,545	368,363
Funds available for granting	30,203,114	27,280,193	29,714,308
Grants approved	26,139,605	25,700,000	25,648,386
Increase in fund balance	$ 4.063,509	$ 1.580,193	$ 4,065,922

See accompanying notes to financial statements.

Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation

Statement of Cash Flows

Year ended March 31, 2001 with comparative figures for 2000

	2001	2000
Cash provided by (used in):		
Operating activities:		
Increase in fund balance	$ 4,063,509	$ 4,065,922
Item not affected by cash:		
Bond premium (discount) amortization	(33,109)	4,500
Net change in non-cash working capital items:		
Accrued interest receivable	(150,416)	(247,858)
Accounts receivable	-	2,204
Due from Western Canada Lottery - Saskatchewan Division Inc.	(261,163)	(1,415,862)
Accounts payable	(1,186,621)	345,127
Grants payable	(26,691)	5,278,944
	2,405,509	8,032,977
Investing activities:		
Purchase of investments	(23,628,981)	(45,875,402)
Proceeds from disposal of investments	22,367,505	41,695,286
	(1,261,476)	(4,180,116)
Increase in cash during the year	1,144,033	3,852,861
Cash, beginning of year	5,455,852	1,602,991
Cash, end of year	$ 6,599,885	$ 5,455,852

See accompanying notes to financial statements.

Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation

Notes to Financial Statements

March 31, 2001

1. Nature of operations:

The Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation was established pursuant to the Interprovincial Lotteries Act and an agreement between the Minister of Culture, Youth and Recreation for the Province of Saskatchewan and Sask Sport Inc. Under the terms of the agreement, Sask Sport Inc. has been designated as the provincial marketing organization to sell Western Canada Lottery Corporation lottery tickets in Saskatchewan. Sask Sport Inc. has established the Western Canada Lottery - Saskatchewan Division Inc. to market, and Sask Sport Distributors Inc. to distribute these tickets on its behalf.

The net lottery profits are transferred to the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation (the Trust) and are detailed in Schedule 1 to these financial statements. The agreement requires that the Trust shall distribute the net profits to eligible organizations designated by the Province of Saskatchewan. These net profits are distributed 50% to sport, 35% to culture and 15% to recreation groups. Each section contributes funds to the Saskatchewan Lotteries Community Grant Program in the same percentage as above. The sport section alone contributes funds to the Canada Games Program.

This lottery agreement also requires Sask Sport Inc., as designated provincial marketing organization for lottery tickets, to pay out of the Trust directed payments as described in note 5.

2. Significant accounting policies:

Investments:

Investments are valued at cost, less any provisions for permanent impairment in value.

Grants and directed payments:

Grants are recognized by the Trust when a completed grant application is received from an eligible organization, the application is approved by the Trust and all criteria have been met by the applicant. Directed payments are recognized by the Trust as required by the lottery agreement.

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation

Notes to Financial Statements
March 31, 2001

3. **Investments:**

Investments at March 31 consist of:

	2001		2000	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Guaranteed Investment Certificates and Bankers Acceptances	$19,991,927	$20,687,293	$17,598,242	$17,968,124
Province of Saskatchewan Bonds	1,200,000	1,245,773	2,299,100	2,374,157
	$21,191,927	$21,933,066	$19,897,342	$20,342,281

Guaranteed investment certificates and bankers acceptances mature between April 2, 2001 and October 15, 2004 (2000 - May 3, 2001 and September 3, 2002) and have effective interest rates ranging from 5.3% to 6.24% (2000 - 4.9% to 5.9%). Province of Saskatchewan bonds mature on July 15, 2005 (2000 - between July 15, 2000 and July 15, 2004) and bear interest at 5.75% (2000 - from 5.00% to 6.75%).

4. **Grants payable:**

	2001	2000
Sport	$ 7,363,199	$ 7,749,688
Culture	1,736,628	1,839,050
Recreation	1,466,770	1,253,021
Community Grant Program	4,373,282	4,124,811
	$14,939,879	$ 14,966,570

5. **Directed Payments:**

Under the terms of the lottery agreement, which expires on March 31, 2003, with the Minister of Culture, Youth and Recreation for the Province of Saskatchewan the Trust is required to make the following payments to:

- Sask Sport Distributors Inc. to cover the distributor payments made to those volunteer non-profit organizations that previously acted as ticket distributors. This amounted to $1,491,280 (2000 - $1,494,080) during the current year. Of this amount, Sask Sport Inc., as a former ticket distributor, received $358,560 (2000 - $358,560) during the current year.
- the Federal Government which, under an agreement dated September 23, 1979 with the Inter-provincial Lottery Corporation, withdrew from the lottery field in exchange for $24,000,000 annually, in 1979 dollars. Saskatchewan's share of this payment, for the year ended March 31, 2001, was $1,788,668 (2000 - $1,810,805).
- the Saskatchewan Exhibition Association in the amount of $310,000 (2000 - $310,000) for the current year.
- the General Revenue Fund of the Province of Saskatchewan a payment of 9.5% of net lottery ticket sales. During the current year $12,204,916 (2000 - $14,316,530) was paid.

Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation

Notes to Financial Statements
March 31, 2001

6. **Related party transactions:**

Sask Sport Inc., as a sport federation, received a grant from the Trust of $477,446 (2000 - $452,446) during the current year, to provide programs and services to its member sport organizations. Sask Sport Inc. also received $14,570 (2000 - $14,859) as a fee for providing office equipment for use during the current year.

The Administration Centers for Sport, Culture and Recreation (1989) Inc., a wholly owned subsidiary of Sask Sport Inc., provides office space and administrative services for non-profit sport, culture and recreation associations and received a grant from the Trust of $270,000 (2000 - $300,000) during the current year. In addition, the Trust paid to the Administration Centers for Sport, Culture and Recreation (1989) Inc. $34,764 (2000 - $34,535) for office space and services.

These transactions are in the normal course of operations and are recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties. Other related party transactions are disclosed separately in these financial statements.

Saskatchewan Lotteries Trust Fund For Sport, Culture and Recreation

Schedule 1 - Net Lottery Profits

Year ended March 31, 2001 with comparative figures for 2000

	2001	Budget 2001	2000
Lottery ticket sales	$ 128,472,796	$ 127,206,000	$ 130,150,273
Revenue and expense items paid by the Western Canada Lottery Corporation:			
Prizes	(64,408,288)	(64,855,200)	(64,844,115)
Administration and ticket printing	(8,555,363)	(9,830,315)	(7,640,540)
Retailer commissions	(7,469,152)	(7,296,900)	(7,625,358)
Federal and provincial taxes	(1,290,900)	(1,275,569)	(1,267,012)
Interest income	603,858	387,606	509,778
Lottery profits transferred from the Western Canada Lottery Corporation	47,352,951	44,335,622	49,283,026
Provincial interest and other income	229,333	256,500	240,339
Provincial distribution expenses (note 1)	(1,521,774)	(1,688,843)	(1,484,389)
Provincial marketing expenses (note 1)	(995,781)	(1,048,731)	(937,201)
Net lottery profits	$ 45,064,729	$ 41,854,548	$ 47,101,775

Schedule 2 - Administration Expenses

Year ended March 31, 2001 with comparative figures for 2000

	2001	Budget 2001	2000
Committee meetings	$ 6,811	$ 7,270	$ 2,859
Equipment expense	14,570	14,600	14,859
Goods and services tax	4,514	4,275	4,152
Insurance	3,967	6,880	4,202
Office supplies	10,158	10,500	9,129
Postage	4,820	5,000	4,561
Printing	4,886	6,500	4,575
Professional fees	55,373	51,050	47,302
Rent	23,042	23,280	22,732
Repairs and maintenance	2,537	1,750	962
Salaries and benefits	251,349	261,990	243,054
Telephone	7,196	8,450	8,309
Travel	2,016	5,000	1,667
Total administration expenses	$ 391,239	$ 406.545	$ 368.363

See accompanying notes to financial statements.

Sask. Lotteries Trust Fund

Transfers

Listed by program, are transfers to recipients who received $5,000 or more.

Community Grant Program

Aberdeen, Town of	$ 6,231
Agency Chiefs Tribal Council	20,000
Ahtahkakoop Band	8,604
Air Ronge, Northern Village	6,077
Asquith, Town of	7,299
Assiniboia, Town of	19,524
Athabasca Regional Recreation Assoc Inc	34,824
Balcarres, Town of	5,477
Balgonie, Town of	10,418
Battleford, Town of	25,893
Battlefords Tribal Council	31,250
Beardy's & Okemasis Band	8,426
Beaver River Regional Recreation Assoc Inc	33,554
Bethune, Village of	5,025
Bienfait, Town of	6,817
Big River First Nation	11,417
Big River, Town of	8,938
Biggar, Town of	19,459
Birch Hills, Town of	10,599
Black Lake Band	7,582
Broadview, Town of	6,584
Bruno, Town of	6,083
Buffalo Narrows, Northern Village	6,687
Cabri, Town of	5,909
Canora, Town of	15,500
Canwood, Village of	5,361
Carlyle, Town of	9,561
Carnduff, Town of	8,815
Caronport, Village of	7,283
Carrot River, Town of	12,078
Central Butte, Town of	5,477
Churchbridge, Town of	7,657
Churchill River @ Stanley Mission	7,817
Clavet, Village of	5,999
Clearwater Regional Recreation Assoc Inc	34,134
Coronach, Town of	7,471
Creighton, Northern Town	10,878
Cudworth, Town of	6,960
Cumberland House, Northern Village	5,309
Cupar, Town of	5,510
Cut Knife, Town of	5,990
Dalmeny, Town of	13,134
Davidson, Town of	9,966
Debden, Village of	5,823
Delisle, Town of	10,447
Dundurn, Town of	5,381
Eastend, Town of	6,479
Elrose, Town of	6,142
Esterhazy, Town of	18,150
Estevan, City of	45,696
Eston, Town of	9,647
File Hills Qu'Appelle Tribal Council	$ 61,250
Foam Lake, Town of	11,891
Fort Qu'Appelle, Town of	18,383
Gordon First Nation	6,610
Grand Coulee, Village of	6,175
Gravelbourg, Town of	9,777
Grenfell, Town of	9,577
Gull Lake, Town of	11,984
Hague, Town of	8,759
Hepburn, Village of	5,836
Herbert, Town of	8,039
Hudson Bay, Town of	11,957
Humboldt, City of	29,442
Ile a la Crosse, Northern Village	9,385
Imperial, Town of	6,271
Indian Head, Town of	12,847
Ituna, Town of	7,940
James Smith Cree Nation	10,370
Kamsack, Town of	16,149
Kawacatoose First Nation	7,010
Kelvington, Town of	10,229
Kerrobert, Town of	9,091
Kindersley, Town of	27,000
Kipling, Town of	9,049
Kitsaki @ LaRonge	12,230
Kyle, Town of	6,382
La Loche, Northern Village	12,484
La Ronge, Town of	18,821
Laird, Village of	5,046
Langenburg, Town of	10,370
Langham, Town of	11,481
Lanigan, Town of	9,826
Lashburn, Town of	7,518
Leader, Town of	6,884
Leask, Village of	5,674
Lloydminster, City of	32,453
Lumsden, Town of	13,910
Luseland, Town of	6,198
Macklin, Town of	10,820
Maidstone, Town of	8,646
Maple Creek, Town of	19,720
Marshall, Village of	5,499
Martensville, Town of	25,878
Meadow Lake Tribal Council	31,250
Meadow Lake, Town of	36,610
Melfort, City of	30,523
Melville, City of	28,933
Meota, Village of	5,140
Milestone, Town of	5,167
Mistawasis First Nation	6,134
Montmartre, Village of	5,052
Montreal Lake Band	9,862
Moose Jaw, City of	79,135
Moosomin Indian Band	5,518
Moosomin, Town of	17,207
Naicam, Town of	7,420
Neilburg, Village of	5,824
Neyanun Regional Recreation Authority Inc	37,911
Nipawin, Town of	26,341
Norquay, Town of	5,170

North Battleford, City of	$	63,899
Northern Recreation Coordinating Committee		807,100
Osler, Town of		7,499
Outlook, Town of		14,618
Oxbow, Town of		8,333
Paradise Hill, Village of		5,934
Pelican Lake First Nation		5,277
Pense, Village of		5,244
Peter Ballantyne Band @Pelican Narrows		13,970
Peter Ballantyne Band @Southend		5,937
Pierceland, Village of		5,415
Pilot Butte, Town of		12,558
Pinehouse Lake, Northern Village		5,855
Ponteix, Town of		5,800
Porcupine Plain, Town of		5,499
Preeceville, Town of		9,836
Prince Albert Grand Council		80,000
Prince Albert, City of		83,465
Qu'Appelle, Town of		6,193
Quill Lake, Village of		5,915
R.M. of Brittania #502		5,772
R.M. of Buckland #491		14,637
R.M. of Hudson Bay #394		6,685
R.M. of Loon Lake #561		6,221
R.M. of Moose Jaw #161		7,888
R.M. of Paddockwood #520		5,701
R.M. of Porcupine #395		5,053
R.M. of Prince Albert #461		28,236
R.M. of Shellbrook #493		7,620
R.M. of Swift Current #137		6,575
Radville, Town of		7,071
Raymore, Town of		5,974
Red Earth Band		5,728
Redvers, Town of		8,678
Regina Beach, Town of		6,661
Regina, City of		185,000
Riverside Estates, Hamlet of		6,481
Rocanville, Town of		7,800
Rosetown, Town of		19,534
Rosthern, Town of		12,736
Sagastew Regional Recreation Assoc Inc		44,179
Saltcoats, Town of		5,042
Sandy Bay, Northern Village		6,090
Saskatoon Tribal Council		31,250
Saskatoon, City of		185,000
Shaunavon, Town of		15,009
Shellbrook, Town of		7,836
South East Tribal Council		20,000
Southey, Town of		6,377
Spiritwood, Town of		9,063
Springside, Town of		6,859
St. Brieux, Village of		5,676
St. Walburg, Town of		7,027
Star City, Town of		7,595
Stoughton, Town of		5,371
Strasbourg, Town of		6,908
Sturgeon Lake Band		9,138
Sturgis, Town of		6,881
Swift Current, City of		63,282
Sylvania, Hamlet of		5,482
Theodore, Village of	$	5,110
Tisdale, Town of		18,948
Touchwood Agencies		31,250
Turtleford, Town of		5,515
Unity, Town of		18,840
Wadena, Town of		12,146
Wakaw, Town of		7,775
Warman, Town of		23,170
Watrous, Town of		13,128
Watson, Town of		7,147
Wawota, Town of		6,823
Weyburn, City of		41,323
White City, Town of		8,977
Whitewood, Town of		8,541
Wilkie, Town of		12,185
Willow Bunch, Town of		9,800
Wolseley, Town of		6,769
Wynyard, Town of		15,459
Yellow Quill Band		5,531
Yorkton Tribal Council		31,250
Yorkton, City of		64,404
Payees under $5,000		924,151
		4,754,105
Less grants returned from prior years		67,515
	$	4,686,590

The Culture Section

Administration Centers for Sport Culture&Rec.	$	67,500
CARFAC Sask. Visual Artists		169,402
Dance Sask. Inc		184,000
Federation of Sask. Indian Nations		42,000
Le Counseil culturel fransaskois		174,600
Mendel Art Gallery		100,000
Multicultural Council of Sask		208,500
Museums Assoc. of Sask. Inc		344,000
Nature Sask		94,500
Organization of Sask. Arts Councils		366,232
Sask. Archaeological Society		118,600
Sask. Architectural Heritage Society		19,500
Sask. Band Assoc		178,600
Sask. Choral Federation		142,800
Sask. Community Theatre Inc		90,000
Sask. Craft Council		175,228
Sask. Cultural Exchange Society		255,000
Sask. Drama Assoc		130,800
Sask. Elocution&Debate Assoc		84,500
Sask. Express		291,000
Sask. Genealogical Society		107,000
Sask. German Council Inc		114,000
Sask. History&Folklore Society		103,000
Sask. Library Assoc		93,500
Sask. Metis Sports, Culture, Rec&Youth		28,000
Sask. Motion Picture Assoc		328,800
Sask. Music Educators Assoc		133,100
Sask. Music Festival Assoc		89,094
Sask. Orchestral Assoc		63,728
Sask. Organization for Heritage Languages		133,000
Sask. Publishers Group		81,200
Sask. Recording Industry Assoc		131,300
Sask. Society for Education through Art		81,000

Sask. Writers Guild	$ 423,416
SaskCulture	2,537,264
Ukrainian Canadian Congress	176,630
Wanuskewin Heritage Park	100,000
	7,960,794
Less grants returned from prior years	296,315
	$ 7,664,479

The Recreation Section

Abilities Council	$ 47,400
Administration Centers for Sport Culture&Rec.	27,000
Air Cadet League-Sask. Provincial Committee	47,400
Army Cadet League	47,400
Assoc. of Sask Urban Parks&Conservation	33,371
Badlands Regional Recreation Assoc.	34,484
Battleford Regional Recreation Assoc.	34,484
Battlefords Boys&Girls Club	26,815
Blackstrap Regional Recreation&Parks Assoc.	34,484
Boy Scouts of Canada-Sask. Provincial Counci	46,832
Boys&Girls Club of Saskatoon	36,568
Boys&Girls Club of Yorkton Inc.	25,000
Canadian National Institute for the Blind	37,850
Canadian Red Cross	47,400
Duke of Edinburgh Award	41,941
Federation of Sask. Indian Nations	18,000
Girl Guides of Canada Saskachewan Council	47,400
Harvest Community of the Prairies Inc.	30,739
Last Touch Regional Recreation Assoc.	34,484
Lifesaving Society	47,400
Mental Health Assoc. in Sask.	47,400
Navy League - Sask. Division	47,400
North Central Regional Recreation Assoc.	34,484
North East Recreation&Parks Assoc.	34,484
Outdoor&Environmental Education Assoc.	22,866
Parkland Regional Recreation Assoc.	34,484
Qu'appelle Valley Recreation Assoc.	34,484
Quill Plains Regional Recreation Assoc.	34,484
River Junction Parks&Recreation Assoc.	34,484
Sask. Assoc. for Community Living	34,000
Sask. Assoc. of Recreation Professionals	47,400
Sask. Camping Assoc.	47,400
Sask. Metis Sports, Culture, Rec&Youth	12,000
Sask. Parks&Recreation Assoc.	1,757,137
Sask. Physical Education Assoc.	47,400
Sask. Recreation Facility Assoc.	47,400
Sask. Regional Parks Assoc.	47,400
Sask. Square&Round Dance Federation Inc.	38,895
Sask. Wildlife Federation	47,400
Seniors Mechanism	122,003
Ski Patrol System-Sask. Division	33,724
Snowmobile Assoc.	35,353
South Central Recreation&Parks Assoc.	34,484
South East Sk Assoc for Culture, Rec&Sport	103,452
South West Recreation Assoc.	34,484
St. John Council for Sask. Properties Inc.	18,325
Underwater Council Inc.	36,570
Wild Goose Regional Recreation Assoc.	34,484
	3,650,333
Less grants returned from prior years	2,500
	$ 3,647,833

The Sports Section

Administration Centers for Sport Culture&Rec.	$ 175,500
Basketball Sask. Inc.	253,892
Bowling Federation of Sask.	161,541
Bowls Sask. Inc.	81,162
Coaches Assoc. Of Sask.	115,303
Federation of Sask. Indian Nations	60,000
Football Sask.	240,934
Gymnastics Sask. Inc.	269,229
Horseshoe Sask. Inc.	40,502
Judo Sask.	122,729
Ringette Assoc. of Sask.	137,746
Sask. Hockey Assoc.	416,831
Sask. Amateur Boxing Assoc.	84,905
Sask. Amateur Speed Skating Assoc.	148,030
Sask. Amateur Trapshooting Assoc.	49,485
Sask. Amateur Wrestling Assoc.	174,559
Sask. Archery Assoc.	86,963
Sask. Athletics	311,807
Sask. Badminton Assoc.	132,502
Sask. Baseball Assoc.	221,226
Sask. Baton Twirling Assoc.	69,470
Sask. Blind Sports Assoc.	33,159
Sask. Broomball Assoc.	102,119
Sask. Canoe Assoc.	134,781
Sask. Combative Arts Assoc.	18,297
Sask. Curling Assoc.	269,504
Sask. Cycling Assoc.	126,931
Sask. Darts Assoc. Inc.	32,653
Sask. Deaf Sports Assoc.	27,467
Sask. Diving Assoc.	101,403
Sask. Fencing Assoc.	102,377
Sask. Field Hockey Assoc.	83,921
Sask. Games Council	295,000
Sask. Golf Assoc.	177,140
Sask. Handball Assoc.	76,928
Sask. Handgun Assoc.	7,500
Sask. High Schools Athletic Assoc.	214,843
Sask. Horse Federation Inc.	213,821
Sask. Karate Assoc.	85,274
Sask. Lacrosse Assoc.	94,278
Sask. Metis Sports, Culture, Rec&Youth	40,000
Sask. Provincial Rifle Assoc.	42,717
Sask. Provincial Small Bore Assoc.	48,235
Sask. Racquetball Assoc.	77,126
Sask. Rhythmic Gymnastics	21,240
Sask. Rhythmic Sportive Gymnastics	79,408
Sask. Rowing Assoc.	116,830
Sask. Rugby Union Inc.	138,545
Sask. Sailing Clubs Assoc.	83,905
Sask. Skeet Shooting Assoc.	43,428
Sask. Ski Assoc.	66,191
Sask. Soccer Assoc.	305,926
Sask. Special Olympics Society Inc.	109,873
Sask Sport Inc.	699,946
Sask. Sports Hall of Fame and Museum	239,305
Sask. Squash Inc.	90,757
Sask. Table Tennis Assoc.	112,273
Sask. TaeKwon-Do Inc.	101,163
Sask. Team Handball Federation	90,621

Sask. Triathlon Assoc.	$ 33,232
Sask. Volleyball Assoc.	253,889
Sask. Water Ski Assoc.	89,125
Sask. Weightlifting Assoc.	64,408
Sask. Wheelchair Sports Assoc.	81,359
Skate Canada - Sask.	206,917
Soaring Assoc. of Sask.	30,455
Softball Sask.	269,581
South East Sk Assoc for Culture, Rec&Sport.	60,000
Sport Medicine&Science Council of Sask.	384,489
Sport Parachute Assoc. of Sask. Inc.	26,029
Swim Sask. Inc.	187,567
Synchro Sask.	153,767
Tennis Sask.	124,041
Water Polo Sask.	107,398
Zone 2 - Regina Sport Council	95,000
Zone 3 Sport Council	60,000
Zone 4 Sport Council	60,000
Zone 5 Central Sask. Sport Council	60,000
Zone 6 Saskatoon Sport Council	140,000
Zone 7 Sport Council	60,000
Zone 8 Sport Council	90,000
	10,696,458
Less grants returned from prior years	555,755
	$ 10,140,703

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the consolidated balance sheet of the Saskatchewan Research Council as at March 31, 2001 and the consolidated statements of operations and retained earnings and cashflows for the year then ended. The Council's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements, present fairly, in all material respects, the financial position of the Council as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 18, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

SASKATCHEWAN RESEARCH COUNCIL
CONSOLIDATED BALANCE SHEET
As At March 31

	2001	2000
ASSETS		
Current assets:		
Accounts receivable	$ 2,984,926	$ 2,508,023
Prepaid expenses	233,763	415,883
	3,218,689	2,923,906
Non-current assets:		
Accrued benefit asset (Note 3)	365,412	766,000
Restricted investments (Note 4)	527,464	537,286
Capital assets (Note 5)	7,453,478	6,927,493
	$ 11,565,043	$ 11,154,685
LIABILITIES AND PROVINCE'S EQUITY		
Current liabilities:		
Bank indebtedness (Note 6)	$ 1,097,820	$ 1,218,198
Accounts payable	1,151,652	811,088
Advances payable	54,871	43,344
Unearned revenue	1,174,746	1,003,044
Deferred revenue (Note 7)	399,483	390,203
Salaries and wages payable	343,993	416,066
Vacation payable	137,995	102,175
	4,360,560	3,984,118
Non-current liabilities:		
Sick leave benefits payable	376,111	424,684
Accrual for decommissioning (Note 8)	967,000	800,000
Deferred revenue (Note 7)	2,453,371	2,795,429
	8,157,042	8,004,231
Province's equity:		
Retained earnings – unappropriated (Statement 2)	2,880,537	2,613,168
Retained earnings – appropriated (Note 4)	527,464	537,286
	3,408,001	3,150,454
	$ 11,565,043	$ 11,154,685

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN RESEARCH COUNCIL
CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS
Year Ended March 31

	2001 (Note 12)	2000 (Note 12)
Revenue:		
Contracts	$ 12,133,544	$ 10,679,447
Grant – General Revenue Fund	9,172,056	7,947,000
Grant – Agri-Food Innovation Fund (Note 7)	399,483	389,504
Bank interest revenue	106,907	150,459
	21,811,990	19,166,410
Expenses:		
Salaries and benefits	9,770,655	10,047,840
Supplies and services	5,928,478	4,214,409
Accommodation charges	3,889,973	3,078,929
Amortization of capital assets	1,155,284	907,145
Amortization of Agri-Food Innovation Fund funded assets (Note 7)	399,483	389,504
Bank interest	9,982	11,077
	21,153,855	18,648,904
Net income from operations	658,135	517,506
Technology in Action Fund donations (Note 4)	-	352,415
Defined benefit pension plan (expense) income (Note 3)	(400,588)	122,576
Net income	257,547	992,497
Retained earnings – unappropriated, beginning of year	2,613,168	1,989,391
Change in appropriated amount during year (Note 4)	9,822	(368,720)
Retained earnings – unappropriated, end of year – to Statement 1	$ 2,880,537	$ 2,613,168

(See accompanying notes to the financial statements)

Statement 3

SASKATCHEWAN RESEARCH COUNCIL
CONSOLIDATED STATEMENT OF CASHFLOWS
Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash receipts from contracts	$ 11,849,926	$ 11,101,501
Cash receipts from General Revenue Fund (GRF)	9,172,000	8,012,000
Cash receipts from donations	-	352,415
Cash paid to suppliers and employees	(18,984,248)	(17,410,627)
Interest received	106,729	119,154
Interest paid	(9,982)	(11,077)
Cash flows from cperating activities	2,134,425	2,163,366
Cash flows from investing:		
Purchase of investments	-	(350,000)
Purchase of capital assets	(2,016,047)	(2,564,051)
Proceeds from sale of capital assets	2,000	46,698
Cash flows used in investment activities	(2,014,047)	(2,867,353)
Cash flows from financing activities:		
Cash receipts from Agri-Food Innovation Fund	-	726,020
Cash flows from financing activities	-	726,020
Net increase in cash and cash equivalents	120,378	22,033
Cash and cash equivalents, beginning of year	(1,218,198)	(1,240,231)
Cash and cash equivalents, end of year	$ (1,097,820)	$ (1,218,198)
Represented by:		
Bank indebtedness	$ (1,097,820)	$ (1,218,198)

(See accompanying notes to the financial statements)

SASKATCHEWAN RESEARCH COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2001

1. Status of Saskatchewan Research Council

Saskatchewan Research Council ("the Council") was established pursuant to Section 3 of *The Research Council Act* for the purpose of research and investigation in the fields of the physical sciences, pure and applied, as they affect the economy of the Province of Saskatchewan. The Council is a body corporate which receives monies appropriated by the Legislature for these purposes. It is also empowered to conduct research under contract for others and to receive financial assistance pursuant to agreements with other similar agencies.

2. Summary of Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting principles are considered to be significant:

a) Consolidation Principles and Basis of Presentation

The accounts of TecMark International Commercialization Inc., a wholly owned subsidiary of the Saskatchewan Research Council, are consolidated in these financial statements.

The Council's proportionate share of the assets, liabilities, revenues, expenses and cash flows of a joint venture with Bova-Can Parentage Testing Inc. are included in these financial statements.

b) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

c) Revenue Recognition

Revenue from the majority of contract work is recognized on the percentage-of-completion method, which recognizes revenue as a contract progresses. Unbilled revenues are accrued to the year-end for these contracts, while pre-billed revenues received are classified as unearned revenue.

Other contributions that are restricted for a specified use are deferred and are recognized as revenue when the related expenses are incurred.

Agri-Food Innovation Fund revenue is recognized at the same rate as the assets are put in use and amortized.

2. Summary of Accounting Policies (Continued)

d) Capital Assets

The assets of the Council are initially recorded at cost, including labour, material and overhead for self-constructed assets.

Amortization of capital assets is provided over the estimated useful lives of the assets on the following basis:

i)	Sum-of-the-years'-digits method	
	Buildings	20 years
	Equipment	5-10 years
ii)	Declining balance method	
	Automotive	33 1/3%
iii)	Straight-line	
	Goodwill	5 years
	Leaseholds	9 years
	Fermentation and GenServe Equipment	10 years

e) Accrued Vacation Credits

The costs associated with vacation credits are recognized when the vacation entitlements are earned. The value of credits earned to the year-end but not taken is reflected as a liability.

f) Sick Leave Benefits

The Council allowed unused sick leave credits to accumulate over the term of employment for each employee to March 31, 1998. The costs associated with these sick leave benefits are recognized when benefits are earned and accumulated by employees at a rate of 10% of the unused accumulated value of credits earned.

The practice of accumulating sick leave credits for 10% payout ceased effective April 1, 1998. Upon termination of employment the Council pays out 10% of the accumulated unused sick leave credits to March 31, 1998, based on the wage rate in effect at March 31, 1998.

2. Summary of Accounting Policies (Continued)

g) Accrual for Decommissioning

The Council accrues the liability for future decommissioning and site restoration costs when the likelihood of incidence is established and such costs can be reasonably determined. Annual provisions for estimated future asset decommissioning and site restoration costs, less any residual or salvage value, are charged to Supplies and Services expense over the remaining service lives of the related capital assets. These cost estimates are revised periodically in accordance with changes in the assumptions and estimates underlying the calculations, with changes in technology, with experience arising from the decommissioning of capital assets, and with changes in applicable legislation and regulations.

h) Restricted Investments

The investments are comprised of deposits in a balanced mutual fund, managed by a professional investment manager. The balanced mutual fund has no fixed interest rate, and the return is based on the performance of the fund. Additional units in the mutual fund are acquired when distributions are made by the fund. Cash dividends are not paid by the fund; however, investors can realize changes in the underlying unit values by redeeming units.

Units in the mutual fund are recorded in the accounts at their net asset value per unit. Net asset value per unit is the market value of the investments in the fund portfolio divided by the total number of outstanding units in that fund. The adjustment necessary to record units at their net asset value at the year-end is included in bank interest revenue.

3. Pension Plan

The Council maintains a Pension Plan for its employees. Until December 31, 1990, it was a defined benefit plan. Effective January 1, 1991, the Plan was changed to a defined contribution plan. The changes do not affect existing pensioners who will continue to receive benefits as granted. The latest actuarial valuation was updated as at January 1, 2001. The Pension Plan has been valued using the administrator's best estimates. The financial position of the Plan is as follows:

3. Pension Plan (continued)

	2001	2000
Plan net assets at market value	23,223,356	23,998,220
Accrued Plan benefits:		
Defined contribution	19,730,717	19,928,220
Defined benefit	3,127,227	3,304,000
Accrued benefit asset	$ 365,412	$ 766,000

During 2001, the Council prospectively changed the accounting policy for the pension plan to be consistent with updated CICA requirements. Under the new requirements, the Plan assets and liabilities have been extrapolated from their last actuarial valuation to the Council's year-end.

Upon termination of the Plan, any Accrued benefit asset of the Pension Fund remaining, after discharging all liabilities, shall belong to the Council. The Accrued benefit asset may be distributed in a manner to be determined by the Council, at its sole discretion, after receiving prior approval in accordance with *The Pension Benefits Act,* 1992, the *Income Tax Act* (Canada) and the regulations thereunder.

The Defined benefit pension plan expense of $400,588 (2000 - income of $122,576) is the year over year change in the Accrued benefit asset. The Defined contribution pension plan expense (employer contributions) for the year was $ 475,770 (2000 - $104,959 - net of contribution holiday of $374,576). The benefits paid from the Defined benefit pension plan during the year (including retroactive payment for amendment of pensioner benefits of $92,364) was $435,434 (2000 - $311,470).

4. Restricted Investments

Restricted investments represents the Technology in Action Fund ("Fund"), which was established by the Council in 1994 when Mr. Ian Wahn made a gift to the Council, an agent of the Crown. The Fund was established to help the people of Saskatchewan develop their province as a highly skilled, fair, desirable and compassionate society with a secure environment through research, development and the transfer of innovative scientific and technological solutions, applications and services. The Council received a binding ruling from CCRA that accepts this as a "Gift to the Crown". The Council will maintain a separate account of the capital contributions and all investment income earned. The amount contributed cumulatively to March 31, 2001, is as follows:

	2001	Change	2000
Capital Contributions	$ 503,778	$ -	$ 503,778
Investment earnings	88,686	178	88,508
Technology grants	(65,000)	(10,000)	(55,000)
Total	$ 527,464	$ (9,822)	$ 537,286

5. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 739,323	$ 725,923	$ 13,400	$ 32,403
Leaseholds	3,221,438	1,442,751	1,778,687	449,755
Equipment	15,281,454	12,490,760	2,790,694	3,247,905
Automotive	174,828	174,828	-	-
Goodwill	35,413	28,330	7,083	14,165
Fermentation Facility	3,370,145	967,378	2,402,767	2,666,186
GenServe Equipment	562,309	112,462	449,847	506,079
Land	11,000	-	11,000	11,000
	$ 23,395,910	$ 15,942,432	$ 7,453,478	$ 6,927,493

Included in the cost and net book value of equipment, is $178,416 (2000 - $748,568) of assets that were not amortized because they were not ready for use.

6. Bank Indebtedness

The Council was authorized by the Minister of Finance to establish a line of credit not to exceed $5,100,000. There is an assignment of the accounts receivable as collateral for bank indebtedness. Interest is charged on the line of credit at the Bank of Montreal prime rate.

7. Deferred Revenue – GenServe Equipment and Fermentation Facility

The Council receives contributions for certain capital assets, which it records as deferred revenue until such time as the assets are put in use and amortized. During the year the Council recorded $399,483 (GenServe $56,231 and Fermentation $343,252; 2000 - $56,231 and $333,273) as revenue based on the amortization of the related capital assets.

The current portion of deferred revenue, is comprised of the following amounts:

	2001	2000
Following year's amortization of Fermentation Facility asset	$ 343,252	$ 333,273
Agri-Food Innovation Fund revenue representing expenditures for the following fiscal year	-	699
Following year's amortization of GenServe assets	56,231	56,231
	$ 399,483	$ 390,203

7. Deferred Revenue – GenServe Equipment and Fermentation Facility (continued)

The long-term portion of deferred revenue, $2,453,371 (GenServe $393,617 and Fermentation $2,059,754; 2000 - $449,848 and $2,345,581), represents Agri-Food Innovation Fund monies used to purchase capital assets that will be recognized as revenue at the same rate that the assets are amortized.

8. Accrual for Decommissioning

The Canadian Nuclear Safety Commission (CNSC) licensing conditions require that SLOWPOKE reactor owners have in place a decommissioning plan and a financial plan to cover the associated costs.

The Council estimates decommissioning costs will be in the range of $800,000 to $1,400,000.

In the Council's best estimate, the revised costs of decommissioning will be close to the high end of the range. As a result, as at March 31, 2001, $967,000 (2000 - $800,000) was accrued for decommissioning costs.

9. TecMark Inc.

TecMark International Commercialization Inc. ("TecMark") was incorporated under *The Business Corporations Act* (Saskatchewan) on October 9, 1996, as a wholly owned subsidiary of the Council. The purpose of the Corporation is to assist in the commercialization of technology for inventors, entrepreneurs and partner institutions in the Province of Saskatchewan.

Supplies and Services includes $38,541 (2000 - $55,095) in connection with projects undertaken by TecMark. All of these projects are funded by SRC.

10. Joint Venture

Effective February 1, 1997, the Council entered into a 50 percent ownership joint venture with Bova-Can Parentage Testing Inc. The five-year arrangement will be renewed prior to the expiration of the current agreement and will subsequently automatically renew in yearly increments, providing Bova-Can Laboratories with access to all animal lists and history, and the genotyping market. Upon termination of this agreement, the complete database of genotypes, the DNA bank and 50% of the net assets will transfer to Bova-Can Parentage Testing Inc.

10. Joint Venture (continued)

The effect of the transaction results in the Council retaining the following assets, liabilities, revenues, expenses and cash flows (which are included in the consolidated financial statements) related to the Council's portion of the joint venture:

	2001	2000
Current Assets	$ 106,561	$ 101,756
Long-term Assets	79,838	112,232
Current Liabilities	23,918	29,620
Long-term Liabilities	5,609	8,251
Revenue	496,125	577,932
Expenses	515,371	570,814
Net Income	(19,246)	7,118
Cashflows resulting from operating activities	28,647	59,717
Cashflows resulting from investing activities	(17,120)	(4,359)

11. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Council by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms except for the following:

During the year, the Council paid $3.4 million (2000 - $2.9 million) to the Saskatchewan Property Management Corporation (SPMC) and Saskatchewan Opportunities Corporation (SOCO) for accommodation charges on buildings. At year-end, SRC has lease commitments with SOCO requiring minimum lease payments of:

2002	$2.9M
2003	1.0M
2004	1.0M
2005	1.0M
2006	0.2M

During the year, the Council entered into fee-for-service contracts for $1.1 million (2000 - $1.5 million) with related parties, of which $0.2 million remains in accounts receivable as at March 31, 2001. The Council has $2.8 million (2000 - $3.2 million) of deferred revenue from related parties as at March 31, 2001. Of the $2.8 million, $2.4 million

11. Related Party Transactions (continued)

(2000 - $2.7 million) is related to the Fermentation Facility's funding from Agri-Food Innovation Fund and $0.4 million (2000 - $0.5 million) is related to the GenServe funding from Agri-Food Innovation Fund.

During the year, the Council provided general administrative services to the Saskatchewan Research Council Employees' Pension Plan without charge.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

12. Comparison of Planned and Actual Results

A comparison of actual to budgeted results for each line item on the income statement follows:

	Actual 2001	Budget 2001	Actual 2000	Budget 2000
Revenue:				
Contracts	$ 12,133,544	$ 12,369,000	$ 10,679,447	$ 12,671,000
Grant – General Revenue Fund	9,172,056	8,742,000	7,947,000	7,947,000
Grants – AFIF	399,483	433,000	389,504	395,000
Bank interest revenue	106,907	50,000	150,459	50,000
	21,811,990	21,594,000	19,166,410	21,063,000
Expenses:				
Salaries and benefits	9,770,655	10,107,000	10,047,840	10,000,000
Supplies and services	5,928,478	5,947,000	4,214,409	6,241,000
Accommodation charges	3,889,973	4,113,000	3,078,929	3,250,000
Amortization of capital assets	1,155,284	945,000	907,145	1,122,000
Amortization of AFIF funded assets	399,483	433,000	389,504	395,000
Bank interest	9,982	50,000	11,077	54,000
	21,153,855	21,595,000	18,648,904	21,062,000
Net Income from operations	658,135	(1,000)	517,506	1,000
Technology in Action Fund Donations	-	-	352,415	-
Defined benefit pension plan (expense) income	(400,588)	-	122,576	-
Net Income	$ 257,547	$ (1,000)	$ 992,497	$ 1,000

13. Expenses by Program

Program	Actual 2001	Budget 2001	Actual 2000	Budget 2000
Research & Technology	$ 15,543,557	$ 15,654,707	$ 13,554,236	$ 15,043,903
Laboratory Services	5,610,298	5,940,293	5,094,668	6,018,097
Total	$ 21,153,855	$ 21,595,000	$ 18,648,904	$ 21,062,000

Administrative services have been allocated to each program based on a percentage of labour. Space costs have been allocated to each program based on an estimate of square footage occupied.

14. Financial Instruments

The Council's significant financial instruments consist of accounts receivable, accounts payable and the bank indebtedness (line of credit).

Credit Risk:

The Council is exposed to credit risk from the potential default of customers. However, the majority of the Council's receivables are from related parties, other government agencies and reputable, longstanding corporate clients. Therefore the credit risk is minimal.

Fair Values:

The fair values of the accounts receivable, accounts payable and bank indebtedness approximate their carrying value due to the short-term nature of these instruments.

15. Subsequent Event

Subsequent to year-end, the Council sold a building, with a carrying value of zero, to the University of Saskatchewan, a related party, for $1.0 million. Under the agreement between the related parties, SRC is responsible for site decommissioning costs, estimated to be $100,000.

16. Comparative Figures

Certain of the 2000 financial statement balances have been reclassified to conform with presentation of the 2001 figures.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Saskatchewan Student Aid Fund as at March 31, 2001 and the statements of revenue, expenditure and accumulated surplus, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 15, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

SASKATCHEWAN STUDENT AID FUND
BALANCE SHEET
As at March 31

	2001	2000
ASSETS		
Assets:		
Due from General Revenue Fund (Note 5)	$ 57,122,346	$ 44,366,379
Accrued Interest	630,434	582,675
Appropriation Due from General Revenue Fund	1,331,000	4,100,000
Other Receivables	237,583	207,351
Student Loans Receivable (Note 6)	2,917,256	4,669,883
Total Assets	$ 62,238,619	$ 53,926,288
LIABILITIES, FUND BALANCES AND ACCUMULATED SURPLUS		
Liabilities:		
Due to Royal Bank of Canada (Note 7)	$ 36,068,862	$ 33,748,686
Other Accounts Payable	639,821	675,915
Total Liabilities	36,708,684	34,424,601
Scholarship Funds	36,300	36,300
Accumulated Surplus (Statement 2)	25,493,635	19,465,387
	$ 62,238,619	$ 53,926,288

(See accompanying notes to financial statements)

Statement 2

SASKATCHEWAN STUDENT AID FUND
STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED SURPLUS
For the Year Ended March 31

	BUDGET	2001	2000
Revenue:			
Appropriation from the General Revenue Fund	$ 30,513,000	$ 42,109,000	$ 24,086,000
Interest Payments from the General Revenue Fund	1,938,000	2,196,955	2,086,818
Interest on Student Loans	300,000	818,985	1,206,447
Recovery of Bad Debt Allowances	0	326,083	1,487,188
Other Income	150,000	192,542	180,823
	32,901,000	45,643,565	29,047,276
Expenditure:			
Loan Forgiveness Grants	0	257,942	206,885
Sask Student Bursaries	17,547,000	18,756,337	17,420,185
Canada Study Grants	4,456,000	4,173,221	4,032,966
Sask Study Grants	4,176,000	3,868,979	4,277,780
Special Incentive Loan Remissions	2,372,000	2,582,482	2,564,879
Interest on Loans	3,608,000	5,712,612	3,397,117
Risk Premium	4,860,000	813,512	1,241,510
Loan Guarantee	306,000	66,008	91,661
Interest Relief Grants	1,260,000	1,520,810	493,816
Collection Costs	500,000	313,924	330,180
Special Opportunity Grants	950,000	1,342,590	1,170,419
Bursaries and Scholarships	161,000	206,900	454,100
	40,196,000	39,615,317	35,681,498
Excess (Shortfall) of Revenue Over Expenditure for the Period	$ (7,295,000)	6,028,248	(6,634,222)
Accumulated Surplus, Beginning of Period		19,465,387	26,099,609
Accumulated Surplus, End of Period to Statement 1		$ 25,493,635	$ 19,465,387

(See accompanying notes to financial statements)

Statement 3

SASKATCHEWAN STUDENT AID FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2001	2000
Cash Provided by (used in) Operating Activities:		
Excess (Shortfall) of Revenue over Expenditure	$ 6,028,248	$ (6,634,222)
Change in Non-Cash Working Capital Items:		
(Increase) Decrease in Accrued Interest	(47,759)	90,502
Decrease (Increase) in Appropriation Due from General Revenue Fund	2,769,000	(4,100,000)
(Increase) in Other Receivables	(30,232)	(165,209)
Decrease in Student Loans Receivable	1,752,627	2,973,510
Increase (Decrease) in Due to Royal Bank of Canada	2,320,176	(5,149,263)
(Decrease) in Other Accounts Payable	(36,093)	(219,380)
Net Increase (Decrease) in Due from General Revenue Fund	12,755,967	(13,204,062)
Due from General Revenue Fund, Beginning of Year	44,366,379	57,570,441
Due from General Revenue Fund, End of Period	$ 57,122,346	$ 44,366,379

(See accompanying notes to financial statements)

SASKATCHEWAN STUDENT AID FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority

The Saskatchewan Student Aid Fund (the Fund) continued under *The Student Assistance and Student Aid Fund Act, 1985*. The primary purpose of the Fund is to operate the Saskatchewan Student Assistance Program. The Department of Post-Secondary Education and Skills Training (the Department) administers the Fund and the Saskatchewan Student Assistance Program.

2. Description of the Program

Under the terms of the Saskatchewan Student Assistance Program, student loans are provided to qualifying individuals at interest rates prescribed by the Minister of Post-Secondary Education and Skills Training. They are interest-free while in full time studies. Loans become repayable on the first day of the seventh month following discontinuance of studies or graduation, however, interest begins to accrue on the first day of the first month following discontinuance of studies or graduation.

There are four debt reduction benefits which are funded through the Fund. The Saskatchewan Student Bursary, which replaces the former Forgivable Loan Plan provides a bursary to all students with a need over $180 per week up to $275 per week. The Canada Study Grants and the Saskatchewan Study Grants provide grants to students with dependants to cover their need between $275 per week and $400 per week. A Remission benefit may also be applied for by Special Incentive Students and is available to a maximum of $75 per week of study for 60 weeks.

In May, 1999, the Province of Saskatchewan signed a ten year agreement with the Canada Millennium Scholarship Foundation. This agreement provides approximately $9.7 Million annually in millennium bursaries to approximately 3,800 Saskatchewan post-secondary students.

Special incentive loan remission grants available to high need disadvantaged students, Saskatchewan Student Bursaries and Canada/Saskatchewan Study Grants are granted to all borrowers who meet the requirements specified by the Saskatchewan Student Assistance Program Administrative Guidelines. If the value of grants exceed the student's loan balance, the excess is applied to their Canada Student Loans. Any excess over the Canada Student Loan balance is then paid directly to the qualifying borrower.

Interest relief grants are provided to borrowers in repayment who are unable to meet their repayment obligations due to financial hardship. Applicants are eligible for these grants for a maximum of 54 months.

A Risk Sharing Student Loans Agreement (the Agreement) between the Department and the Royal Bank of Canada was signed March 12, 1996. This Agreement covers loans approved between August 1, 1996 and July 31, 2001. The Department retains responsibility for loan approval. Saskatchewan Student Loans approved in this period are financed by the Royal Bank. Students still at school, with existing loans, had their loan balances transferred to the Royal Bank when the

Department approved their new loans. Loan disbursement, management and collection are done by the Royal Bank as detailed in the Agreement. The Fund pays a risk premium of 5% to the Royal Bank when loans become repayable.

The Department negotiated another agreement with the Royal Bank to transfer substantially all of the loans held by the Fund. This agreement came into effect on October 1, 1997 and remained in force until December 31, 1999. Borrowers who were not in default, had more than seven monthly payments still owing and were not on interest relief were eligible to be transferred. The Fund paid a risk premium of 5% to the Royal Bank when the balance of the loan was transferred. When a loan was transferred, any bad debt allowance relating to that loan was recovered. Borrowers retain the rights associated with their loans (i.e. interest rate, repayment term and interest relief eligibility were transferred with the loan).

Debt reduction benefits, other than the Canada Millennium Bursaries, and costs associated with the interest-free period on lender-financed loans are paid by the Fund to the Royal Bank to be applied against student loan balances. The Canada Millennium Bursaries are funded by the Canada Millennium Scholarship Foundation and are applied against student loan balances.

For courses starting on or after August 1, 2000, the Province will no longer pay the interest that accrues during the six-month grace period after completing full time studies on provincial student loans.

3. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Student Loans Receivable

Student loans are carried at amounts advanced plus accrued interest. Simple interest is charged on loans following the interest-free period. Payments on loans are first applied to interest, then to outstanding principal.

Loans are reduced by approved special incentive loan remissions and loan forgiveness grants.

For loans held by the Fund, allowances are deducted from loans receivable for the following:

i) estimated uncollectible loans due to default on repayment, based on past collection experience; and
ii) estimated benefits to borrowers for interest relief.

4. Loans Held by Student Aid Fund

Loans held by the Fund consist of amounts owing by borrowers for loans granted in previous periods.

The Fund is exposed to credit-related losses in the event that borrowers default on repayment of the student loans. Credit risk represents the maximum amount at risk if the borrowers defaulted on their repayments. The Fund's credit risk on student loans receivable is represented by Gross Student Loans Receivable, end of year in Note 6.

The recorded allowance for uncollectible loans is $6,296,362 (2000 - $9,076,656). This allowance could reasonably be expected to fluctuate between $5,889,453 and $6,703,271 within the next twelve months (2000 - $8,620,381 and $9,533,305).

The Fund is also exposed to interest rate risk. Loans receivable have effective interest rates of 5.00% to 12.00% (2000 - 5.00% to 12.00%). Under *The Student Assistance and Student Aid Fund Regulations, 1990*, the Minister charges interest rates as set pursuant to the *Canada Student Loans Act*. Under this Act, each year in August, the Federal government sets the interest rates to be charged for students graduating during the next 12 months. This rate is based on average open market yield for the previous 6 months on mid-term (5-10 years) Government of Canada bonds plus 1%. At March 31, 2001, the rate was 7.125%. These loans were financed by the General Revenue Fund. The loan balances and related interest rates are listed in the following schedule:

	2001	2000
Interest Rate	Total Balance	Total Balance
Less than 8.0%	$699,851	$725,139
8.0%-8.9%	3,862,737	6,243,687
9.0%-9.9%	4,120,994	5,939,816
10.0%-10.9%	360,333	614,147
11.0% or greater	304,369	403,443
Gross student loans receivable, end of year (Note 6)	$9,348,284	$13,926,232

The fair value and repayment period of loans receivable have not been disclosed because it is not practicable to determine the loan repayments with sufficient reliability. There are a number of factors needed to estimate the timing and the amount of loan repayments. These factors include the Fund's historical experience, applications for interest relief, forgiveness, and remission grants, economic conditions, and the necessity to rely on the actions of a large number of individuals.

5. Due from General Revenue Fund

The Fund's bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Fund's earned interest is calculated and paid quarterly by the General Revenue Fund to the Fund using the General Revenue Fund's thirty day borrowing rate and the Fund's average daily bank account balances.

6. Student Loans Receivable

		2001	2000
	Loans outstanding, beginning of year	$ 13,926,232	$ 21,596,414
Add:	New loans during the year	0	0
	Interest earned on student loans	818,985	1,206,447
	Bad debts recovered	788,280	750,274
Deduct:	Loan repayments received	(2,757,043)	(3,380,867)
	Book value of loans transferred to the Royal Bank	(81,581)	(2,413,652)
	Amounts authorized to reduce loans	(104,499)	(52,273)
	Loans written off	(3,242,090)	(3,780,111)
	Gross student loans receivable, end of year	$ 9,348,284	$13,926,232
Deduct:	Allowance for interest relief	(133,221)	(179,693)
	Allowances estimated on prior year's experience:		
	Allowance for uncollectible loans before recovery	(6,623,890)	(10,563,844)
	Less recovery of bad debt allowance	326,083	1,487,188
	Student loans receivable, end of year	$ 2,917,256	$ 4,669,883

7. Due to Royal Bank of Canada

The Fund estimates amounts due to the Royal Bank. This estimate includes the following:

a. Interest Accrual

Currently, interest accruing on student loans is not paid by the borrower as long as they are in school. The Fund pays this interest to the Royal Bank. The interest accrual is an estimate, based on the projected loan receivable balance and the projected market rate of interest. The estimated projected market rate of interest is 7.16% (2000 - 6.9%) and the estimated period students are in school is two years. However, it is reasonable to expect the interest rate to fluctuate between 6.91% and 7.41% over the next 12 months (2000 – 6.65% to 7.15%).

b. Special Incentive Loan Remission and Loan Forgiveness Grant Accrual

The Fund will pay the Royal Bank expected future special incentive loan remission grants and any outstanding loan forgiveness grants.

c. Risk Premium Accrual

A risk premium is paid to the bank at the time each student loan becomes repayable. The risk premium is equal to 5% of the total outstanding loan at the time the loan becomes repayable. The accrual is an estimate of future risk premiums for loans held by the Royal Bank. This estimate is calculated after considering possible future forgiveness, special incentive loan remission grants, bursaries, study grants and Canada Millennium Bursaries. This amount is not expected to fluctuate significantly within the next 12 months.

d. Loan Guarantee Accrual

The Fund guarantees loans in certain circumstances in the event of death or bankruptcy of the borrower. The amount paid to the bank is equal to the loan balance outstanding on the date of death or bankruptcy. This amount is not expected to fluctuate significantly within the next 12 months.

e. Interest Relief Accrual

Interest relief is paid to the bank at the lender prime rate of interest in effect at the time the borrower applies for relief. It is estimated that the interest relief accrual will be paid to the bank on behalf of applicants over a nine-year period.

In addition, Due to Royal Bank of Canada includes Saskatchewan Student Bursaries, Canada Study Grants and Saskatchewan Study Grants. The accruals for Saskatchewan Student Bursaries and Saskatchewan Study Grants have been reduced by approximately $7.6 Million, which is a portion of the $9.7 Million received from the Canada Millennium Scholarship Foundation.

These accruals could reasonably be expected to fluctuate within the next 12 months as follows:

	2001		2000
	Actual	Range of Accruals	Actual
Interest Accrual	$ 6,478,129	$6,257,483 to $6,693,252	$ 6,367,257
Loan forgiveness grant accrual	1,120,195	1,088,000 to 1,590,000	1,254,316
Special incentive loan remission accrual	3,585,642	3,526,000 to 3,735,000	2,989,144
Risk premium accrual	2,322,006	n/a	2,798,883
Loan guarantee accrual	314,422	n/a	325,000
Interest relief accrual	4,490,649	4,034,000 to 4,947,000	3,608,338
	$ 18,311,043		$ 17,342,938
Sask Student Bursaries	12,992,517		11,486,434
Canada Study Grants	2,659,620		2,694,004
Sask Study Grants	2,105,682		2,225,310
Due to Royal Bank of Canada	$ 36,068,862		$ 33,748,686

8. Related Party Transactions

In accordance with established government practice, all administrative and occupancy costs are paid by the Department of Post-Secondary Education and Skills Training - General Revenue Fund. Accordingly, no provision for these costs is reflected in these financial statements. Costs for loans sent to collection agencies are paid by the Fund. Other related party transactions are disclosed separately in these financial statements.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Western Development Museum as at March 31, 2001 and the statements of operations and net assets, and cash flows for the year then ended. The Museum's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Museum as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 6, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

SASKATCHEWAN WESTERN DEVELOPMENT MUSEUM
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
ASSETS		
Current:		
Cash	$ 45,841	$ 783,329
Short-term investments	1,650,000	-
Accounts receivable & accrued interest	64,445	30,332
Inventory & prepaid expenses	193,057	167,506
	1,953,343	981,167
Investments (Notes 6 and 7)	90,500	90,500
Capital assets (Note 4)	7,358,654	7,365,151
	$ 9,402,497	$ 8,436,818
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	$ 267,996	$ 126,387
Net Assets (Statement 2)		
Unrestricted net assets		
General operating account	95,429	82,553
Restricted net assets		
Internally restricted funds (Schedule 2)	1,111,671	248,811
Investment in capital assets	7,358,654	7,365,151
Externally restricted funds (Schedule 1)	568,747	613,916
	9,134,501	8,310,431
	$ 9,402,497	$ 8,436,818

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN WESTERN DEVELOPMENT MUSEUM
STATEMENT OF OPERATIONS AND NET ASSETS
Year Ended March 31

	General Operating Funds				
	Operating Budget 2001 (Note 8)	General Operating Account 2001	Internally Restricted Funds 2001	Total 2001	Total 2000
Revenue:					
SELF-GENERATED					
Rentals, concessions and souvenir sales	$ 939,400	$ 1,148,245	$ —	$ 1,148,245	$ 979,540
Less: cost of sales	861,200	994,149	—	994,149	834,087
Gross profit	78,200	154,096	—	154,096	145,453
Admissions	377,900	348,946	—	348,946	346,100
Donations	—	816	76,394	77,210	60,667
Interest earned	—	50,647	—	50,647	18,115
Other income	47,400	60,914	34,158	95,072	84,037
TOTAL SELF-GENERATED	503,500	615,419	110,552	725,971	654,372
GRANTS					
Department of Municipal Affairs, Culture and Housing					
- operating grants	2,365,000	2,140,000	1,278,000	3,418,000	1,810,000
- capital grants	—	—	—	—	—
- employment grants	—	29,467	—	29,467	42,902
Canada Employment Centre					
- employment grants	4,500	15,685	—	15,685	14,492
Other	—	10,190	—	10,190	4,500
TOTAL GRANTS	2,369,500	2,195,342	1,278,000	3,473,342	1,871,894
TOTAL REVENUE	2,873,000	2,810,761	1,388,552	4,199,313	2,526,266
EXPENSES:					
Salaries and benefits	1,826,700	1,807,621	2,010	1,809,631	1,575,627
Building maintenance and utilities	368,500	363,131	8,897	372,028	337,285
General and administrative	181,300	198,079	10,557	208,636	176,629
Amortization of capital assets	—	—	—	—	—
Promotions and publicity	226,100	222,077	833	222,910	264,974
Exhibits and collections	88,400	33,792	66,058	99,850	58,941
Fundraising	—	—	238,650	238,650	11,288
TOTAL EXPENSES	2,691,000	2,624,700	327,005	2,951,705	2,424,744
Excess of revenue over expenses (expenses over revenue)	182,000	186,061	1,061,547	1,247,608	101,522
Net assets, beginning of year	—	82,553	248,811	331,364	260,958
Interfund transfers					
other transfers	—	(18,683)	(11,317)	(30,000)	—
to purchase capital assets	(290,000)	(103,855)	(214,593)	(318,448)	(18,124)
to transfer interest	—	(50,647)	27,223	(23,424)	(12,992)
Net assets, end of year	$ (108,000)	$ 95,429	$ 1,111,671	$ 1,207,100	$ 331,364

(See accompanying notes to the financial statements)

Statement 2
(continued)

Restricted Funds			
Capital Assets Fund 2001	Externally Restricted Funds 2001	Total 2001	Total 2000
$ —	$ —	$ —	$ —
—	—	—	—
—	—	—	—
—	—	—	—
—	50,576	50,576	83,004
—	—	—	—
—	22,931	22,931	6,660
—	73,507	73,507	89,664
—	11,617	11,617	—
—	—	—	284,090
—	—	—	—
—	—	—	—
—	—	—	—
—	11,617	11,617	284,090
—	85,124	85,124	373,754
—	—	—	2,626
—	8,251	8,251	12,394
—	2,607	2,607	4,001
407,495	—	407,495	355,564
—	703	703	2,509
—	89,606	89,606	52,647
—	—	—	—
407,495	101,167	508,662	429,741
(407,495)	(16,043)	(423,538)	(55,987)
7,365,151	613,916	7,979,067	8,003,938
—	30,000	30,000	—
—	—	—	—
400,998	(82,550)	318,448	18,124
—	23,424	23,424	12,992
$ 7,358,654	$ 568,747	$ 7,927,401	$ 7,979,067

Statement 3

SASKATCHEWAN WESTERN DEVELOPMENT MUSEUM
STATEMENT OF CASH FLOWS
Year Ended March 31

	Operating Fund	Restricted Funds	Total 2001	Total 2000
Operating activities:				
Cash from (used in) operating activities:				
Excess of revenue over expenses (expenses over revenue)	$ 1,247,608	$ (423,538)	$ 824,070	$ 45,535
Add back items not requiring cash:				
Amortization	—	407,495	407,495	355,564
	1,247,608	(16,043)	1,231,565	401,099
Changes in non-cash working capital items:				
(Increase) decrease in accounts receivable and accrued interest	(34,113)	—	(34,113)	(5,424)
(Increase) decrease in inventory and prepaid expenses	(25,551)	—	(25,551)	54,414
(Decrease) increase in interfund balance	(45,169)	45,169	—	—
(Decrease) increase in accounts payable	141,609	—	141,609	1,726
	36,776	45,169	81,945	50,716
	1,284,384	29,126	1,313,510	451,815
Investing activities:				
Cash from (used in) investing activities:				
Investment in short-term investments	(1,650,000)	-	(1,650,000)	-
Acquisition of capital assets	(318,448)	(82,550)	(400,998)	(29,853)
	(1,968,448)	(82,550)	(2,050,998)	(29,853)
Net (decrease) increase in cash position	(684,064)	(53,424)	(737,488)	421,962
Cash, beginning of year	783,329	—	783,329	361,367
Interfund transfers	(53,424)	53,424	—	—
Cash, end of year	$ 45,841	$ —	$ 45,841	$ 783,329

(See accompanying notes to the financial statements)

SASKATCHEWAN WESTERN DEVELOPMENT MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Status

The Western Development Museum Board is continued under *The Western Development Museum Act*. The primary purpose of the Board is to procure objects of historical value and importance to the economic and cultural development of Western Canada and to collect, preserve, restore and exhibit the objects to the public. The Act also established The Western Development Museum Fund, through which all of the Board's financial transactions are conducted.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

a) Fund Accounting

The Museum follows the restricted fund method of accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

i) Operating Fund

The operating fund reflects the primary operations of the Museum. This includes operating and employment grants, admission revenue and rental, concession and souvenir sales. Expenses are for the delivery of these services. This fund reports unrestricted and internally restricted resources.

ii) Restricted Funds

The restricted fund reports the total activity of several separately identifiable restricted funds. The revenues of these individual restricted funds are externally restricted by private individuals or groups that specify how these funds are to be used. Expenses of the restricted fund reflect the costs incurred by the Museum for these projects. The individual restricted funds are:

Restoration Projects Fund

In accordance with donor-imposed restrictions, the net assets of this fund are used to further certain restoration projects.

Artifact Fund

In accordance with a code of professional conduct for museums, all proceeds from the sale of artifacts are used to purchase additional artifacts or strengthen current collections. This fund contains net proceeds from the sale of artifacts.

George Shepherd Library Fund

In 1981, the family of George Shepherd restricted the interest earned off their contribution to be used to augment the George Shepherd Library. Subsequent donors have also imposed this restriction on their donations.

Display Fund

In accordance with a 1983 agreement with Saskatchewan Lotteries Trust Fund for Sports, Culture and Recreation (Sask Lotteries), the net assets of this fund are used to purchase, renovate and upgrade the Museum's accommodations.

Moose Jaw Building

In accordance with the agreement with the Department of Municipal Affairs, Culture and Housing, the net assets of this fund are used for new concrete floors at the Moose Jaw Branch.

Conservation Laboratory Fund

In accordance with donor-imposed restrictions, the net assets of this fund are used to develop and equip a conservation laboratory.

Capital Fund

The capital fund reflects the equity of the Museum in capital assets. The capital fund includes revenue designated for the acquisition of capital assets. Expenses consist primarily of amortization of capital assets.

b) Capital Assets and Amortization

Capital assets costing more than $500 are recorded at cost net of accumulated amortization. Normal maintenance and repairs are expensed as incurred. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Office furniture and equipment	10% - 10 years
Computer equipment and software	20% - 5 years
Shop and automotive equipment	10% - 10 years
Buildings	2.5% - 40 years

c) Revenue

Grants and contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Interest revenue that is not externally restricted is recorded as revenue in the operating fund. Interfund transfers allocate the interest earnings to the various internally and externally restricted funds based on each fund's proportionate share of combined net assets.

d) Inventory

Merchandise inventories are valued at the lower of cost and net realizable value.

e) Short-term investments

Short-term investments include term deposits with a maturity greater than 90 days.

f) Investments

Investments are recorded at cost which approximates fair value.

g) Donated materials and services

The value of donated materials and services is not recorded.

h) Artifacts

Artifact acquisitions are expensed in the year of purchase. Normal maintenance, restoration and repairs of the Museum's collection of artifacts are expensed as incurred.

3. Artifacts

The Museum displays its collection of artifacts at its four branches in Saskatchewan. These locations are North Battleford, Moose Jaw, Saskatoon, and Yorkton.

Each of the branches tells a Saskatchewan story from a unique perspective. They are: The Story of Agriculture at North Battleford; The History of Transportation at Moose Jaw; Industry and Commerce at Saskatoon; and The Story of People at Yorkton.

The Museum is well known for its collection of agricultural equipment and transportation artifacts that were used in the development of Saskatchewan. In addition, the collection contains domestic and commercial artifacts, clothing and textiles, and a wide variety of artifacts relating to life in Saskatchewan. A portion of the collection is used for demonstration of farm technology, pioneer skills and crafts.

4. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 155,900	$ —	$ 155,900	$ 155,900
Office furniture & equipment	559,946	443,266	116,680	134,882
Shop furniture & equipment	450,927	396,626	54,301	41,074
Automotive equipment	266,084	174,599	91,485	15,817
Building	11,949,395	5,085,379	6,864,016	6,931,672
Snowbirds Theatre and Gallery	498,784	422,512	76,272	85,806
	$ 13,881,036	$ 6,522,382	$ 7,358,654	$ 7,365,151

5. Leases

The museums operated by the Board are situated on leased land. The Saskatoon, Moose Jaw and Yorkton properties are leased from the respective city for $1 per year. These leases expire in 2021, 2025, and 2019 respectively. The North Battleford property is leased from Saskatchewan Property Management Corporation for $1 per year. This lease expires in 2020. It is not practicable to estimate the fair value of the leases. Accordingly, contributions in respect of these facilities are not recognized in the financial statements.

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Museum by virtue of common control by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are as follows:

	2001	2000
Financial statement category:		
Salaries and benefits	$ 242,584	$ 201,780
Building maintenance & utilities	208,815	168,070
Cost of sales	34,231	18,667
Accounts Payable	13,926	406

In addition, the Museum pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Investments consist of Saskatchewan Savings Bonds of $90,500 (2000 - $90,500), which mature on July 15, 2004 and bear interest annually at 5.00%. These bonds are sold to Saskatchewan residents only and are not publicly traded. They are redeemable annually on July 15 at their face value by the registered owner.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.

7. Financial Instruments

a) Significant terms and conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows. The terms and conditions for investments are disclosed in Note 6.

b) Credit risk and interest rate risk

The Museum is exposed to minimal credit risk from the potential non-payment of accounts receivable. Also, the Museum is exposed to minimal interest rate risk because its investments can be redeemed annually.

c) Fair value

The carrying amounts of cash, investments, accounts receivable and accrued interest, and accounts payable and accrued liabilities approximate fair value.

8. Budget for Operations

The 2000/01 budget was approved by the Board on June 16, 2000.

Schedule 1

SASKATCHEWAN WESTERN DEVELOPMENT MUSEUM
SCHEDULE OF EXTERNALLY RESTRICTED FUNDS
Year Ended March 31, 2001

	Restoration Projects	Artifact Fund	George Shepherd Library	Display Fund	N.B. Dairy Building	Streetcar Fund	RNWMP Fund	Moose Jaw Building	Conservation Lab Fund	Totals
Revenue:										
Grants revenue	—	—	—	—	—	—	11,617	—	—	11,617
Interest revenue	—	—	—	—	—	—	—	—	—	—
Donations revenue	41,227	50	37	—	605	—	8,657	—	—	50,576
Other revenue	6,320	5,039	—	—	—	—	11,572	—	—	22,931
Total revenue	47,547	5,089	37	—	605	—	31,846	—	—	85,124
Expenses:										
Salaries and benefits	—	—	—	—	—	—	—	—	—	—
Building maintenance	4,537	—	—	—	—	—	—	3,714	—	8,251
General and administrative	2,082	—	—	—	—	—	—	525	—	2,607
Promotions	703	—	—	—	—	—	—	—	—	703
Exhibits and collections	43,692	3,201	—	—	—	472	42,241	—	—	89,606
Total expenses	51,014	3,201	—	—	—	472	42,241	4,239	—	101,167
Excess of revenue over expenses (expenses over revenue)	(3,467)	1,888	37	—	605	(472)	(10,395)	(4,239)	—	(16,043)
Fund balance, beginning of year	$ 107,019	$ 133,620	$ 4,917	$ 74,139	$ 208	$ 1,486	$ 14,265	$ 275,000	$ 3,262	$ 613,916
Interfund transfers										
Interest transfers	3,738	6,711	267	2,954	26	44	(93)	9,648	129	23,424
Capital transfers	(12,558)	(3,354)	—	—	—	—	—	(66,638)	—	(82,550)
Other transfers	30,000	—	—	—	—	—	—	—	—	30,000
Fund balance, end of year	$ 124,732	$ 138,865	$ 5,221	$ 77,093	$ 839	$ 1,058	$ 3,777	$ 213,771	$ 3,391	$ 568,747

Schedule 2

SASKATCHEWAN WESTERN DEVELOPMENT MUSEUM
SCHEDULE OF INTERNALLY RESTRICTED FUNDS
For the Year Ended March 31, 2001

	Reserve Fund	Membership Fund	Branch Building Fund	Winning the Prairie Gamble Fund	Grounds Upgrading	Capital Upgrading	Other Funds	Totals
Revenue:								
Grants revenue	—	—	—	1,053,000	—	225,000	—	1,278,000
Donations revenue	—	33,691	21,399	21,100	—	—	204	76,394
Other revenue	7,862	—	10,343	—	—	—	15,953	34,158
Total revenue	7,862	33,691	31,742	1,074,100	—	225,000	16,157	1,388,552
Expenses:								
Salaries and benefits	—	2,010	—	—	—	—	—	2,010
Building maintenance	—	336	5,675	—	—	2,886	—	8,897
General and administrative	—	6,069	914	—	—	—	3,574	10,557
Promotions	480	—	353	—	—	—	—	833
Exhibits and collections	—	2,204	2,879	60,871	—	—	104	66,058
Fundraising	—	—	—	238,650	—	—	—	238,650
Total expenses	480	10,619	9,821	299,521	—	2,886	3,678	327,005
Excess of revenue over expenses (expenses over revenue)	7,382	23,072	21,921	774,579	—	222,114	12,479	1,061,547
Fund balance, beginning of year	$ 10,490	$ 22,269	$ 27,798	$ —	$ 185,398	$ —	$ 2,856	$ 248,811
Interfund transfers								
Interest transfers	509	1,442	1,467	15,777	7,440	393	195	27,223
Capital transfers	—	—	(9,571)	(16,111)	—	(188,911)	—	(214,593)
Other transfers	—	—	—	(11,317)	—	—	—	(11,317)
Fund balance, end of year	$ 18,381	$ 46,783	$ 41,615	$ 762,928	$ 192,838	$ 33,596	$ 15,530	$1,111,671

Deloitte &
Touche

Auditors' Report

To the Members of
Tourism Authority
o/a Tourism Saskatchewan

We have audited the balance sheet of Tourism Saskatchewan as at September 30, 2000 and the statements of operations, cash flows and changes in net assets for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at September 30, 2000 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.

Chartered Accountants

November 1, 2000

TOURISM SASKATCHEWAN
Balance Sheet
September 30, 2000

	2000	1999
ASSETS		
CURRENT		
Accounts receivable	$ 406,042	$ 594,128
GST receivable (Note 3)	47,678	20,902
Inventory	169,553	251,909
Prepaid expenses	260,247	181,403
	883,520	1,048,342
INVESTMENT	12,500	25,000
CAPITAL ASSETS (Note 4)	1,037,957	722,648
	$ 1,933,977	$ 1,795,990
LIABILITIES and NET ASSETS		
CURRENT		
Bank indebtedness (Note 5)	$ 21,565	$ 698,126
Accounts payable and accrued liabilities	552,173	520,262
Unearned revenue	102,792	80,759
Deferred grant contribution (Note 6)	288,125	288,125
Current portion of long term debt (Note 7)	34,611	10,344
	999,466	1,597,616
LONG TERM		
Deferred contributions related to capital assets (Note 6)	36,976	-
Leasehold improvement loan (Note 7)	388,911	-
	1,425,353	1,597,616
NET ASSETS		
Net assets invested in capital assets	577,259	712,304
Net assets restricted for Provincial Marketing Fund (Note 8)	29,754	-
Unrestricted net assets (deficit)	(98,389)	(513,930)
	508,624	198,374
	$ 1,933,977	$ 1,795,990

See accompanying notes to financial statements.

APPROVED BY THE BOARD:

Director

Director

TOURISM SASKATCHEWAN
Statement of Operations
Year ended September 30, 2000

	2000	1999
REVENUE		
Operating Grant - Province of Saskatchewan	$ 6,915,000	$ 6,915,000
Industry In-Kind Contributions (Note 2f)	1,912,339	2,762,423
Partnership (Note 2a)	1,296,971	1,468,954
Education and training (Note 9)	933,628	1,120,108
Advertising	228,019	321,129
Retail sales (Note 10)	66,926	159,094
Listings	114,809	118,942
Membership	39,910	31,172
Marketing blitzes	9,498	6,481
Interest and other	3,762	12,834
	11,520,862	12,916,137
EXPENSES		
Administration (Schedule 1)	1,103,916	1,271,094
Education and training (Schedule 2)	1,102,424	1,613,683
Marketing and advertising (Schedule 3)	6,972,059	8,536,744
Membership and visitor services (Schedule 4)	1,996,200	2,097,227
Board and committees	36,013	92,079
	11,210,612	13,610,827
Excess (deficiency) of Revenue over Expenses	$ 310,250	$ (694,690)

See accompanying notes to financial statements.

TOURISM SASKATCHEWAN
Statement of Changes in Net Assets
Year Ended September 30, 2000

NET ASSETS (DEFICIT)	Invested in capital assets	Restricted for Provincial Marketing Fund	Unrestricted	2000 Total	1999 Total
Balance, beginning of year	$ 712,304	$ -	$ (513,930)	$ 198,374	$ 893,064
Excess (deficiency) of revenue over expenses (1)	(235,248)	-	545,498	310,250	(694,690)
Investment in capital assets (2)	100,203	-	(100,203)	-	-
Internally imposed restrictions (Note 8)	-	29,754	(29,754)	-	-
Balance, end of year	$ 577,259	$ 29,754	$ (98,389)	$ 508,624	$ 198,374

See accompanying notes to financial statements.

(1) Consists of:

Depreciation expense	$ 253,736
less amortization of deferred contributions related to capital assets (Note 6)	(18,488)
Reduction in net assets invested in capital assets	$ 235,248

(2) Consists of:

Repayment of capital lease obligation	$ 10,344
Repayment of leasehold improvement loan	31,936
Purchase of capital assets with unrestricted resources	57,923
Increase in net assets invested in capital assets	$ 100,203

TOURISM SASKATCHEWAN
Statement of Cash Flows
Year ended September 30, 2000

	2000	1999
Cash from operating activities		
Excess (deficiency) of revenue over expenses	$ 310,250	$ (694,690)
Add (deduct) items not requiring the use of cash:		
Depreciation of capital assets	253,736	191,610
Write-down of investment	12,500	-
Amortization of deferred contributions related to capital assets (Note 6)	(18,488)	-
	557,998	(503,080)
Net change in non-cash working capital items (Note 12)	218,766	333,848
Net cash generated from (used in) operating activities	776,764	(169,232)
Cash from investing activities		
Increase in deferred contributions related to capital assets (Note 6)	55,464	-
Purchase of capital assets	(569,045)	(258,044)
Net cash used in investing activities	(513,581)	(258,044)
Cash from financing activities		
Repayment of capital lease obligation	(10,344)	(20,688)
Proceeds from leasehold improvement loan	455,658	-
Repayment of leasehold improvement loan	(31,936)	-
Net cash generated from (used in) financing activities	413,378	(20,688)
Net increase (decrease) in cash	676,561	(447,964)
Bank indebtedness, beginning of year	(698,126)	(250,162)
Bank indebtedness, end of year	$ (21,565)	$ (698,126)

See accompanying notes to financial statements.

TOURISM SASKATCHEWAN
Notes to the Financial Statements
Year Ended September 30, 2000

1. DESCRIPTION OF BUSINESS

The Tourism Authority, operating as Tourism Saskatchewan (the "Authority"), was incorporated as a non-profit organization under the Tourism Authority Act and commenced operations on October 1, 1994. The Authority was formed to promote and develop tourism in Saskatchewan on behalf of the tourism industry and the Government of Saskatchewan. Certain assets were transferred to the Authority from the Government of Saskatchewan, Department of Economic Development and Saskatchewan Property Management Corporation (SPMC).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a) *Revenue Recognition*

The Authority follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated, collection is reasonably assured and the expenses relating to the contribution are incurred.

The Authority approves funding for marketing programs to regional partners on an annual basis and to industry partners on a project specific basis. The Authority contributes up to 50% of total expenditures. The Authority also recognizes the partners' contribution to the projects as partnership revenue, offset by an equivalent amount being recognized as marketing expenditures.

b) *Inventory*

Inventory is valued at the lower of cost and net realizable value.

c) *Investment*

The investment is accounted for using the cost method.

d) *Capital Assets*

Capital assets are recorded at cost and depreciated over their estimated useful lives. Leasehold improvements are depreciated over the lease terms. Depreciation is calculated using the straight-line method at the following annual rates:

Photo library	10%
Furniture & equipment	10% to 20%
Computer equipment	33%
Central Reservation System	13%
Leasehold improvements	10% to 20%
Signs & displays	20%

e) *Unearned Revenue*

Advertising and listing amounts received, which are related to future publications, are recorded as unearned revenue.

TOURISM SASKATCHEWAN
Notes to the Financial Statements
Year Ended September 30, 2000

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

f) Industry In-Kind Contributions

Goods and services, except for volunteer labour, provided to the Authority by industry partners at a discounted or complimentary rate to the organization are recognized at fair market value. The amounts are recorded as Industry In-Kind Contributions revenue, offset by equivalent amounts allocated among the related expense categories.

g) Income Taxes

The Authority is incorporated as a non-profit organization and is exempt from income taxes.

h) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. GST RECEIVABLE

The Authority claims goods and services input tax credits based upon its level of staff time devoted to generating GST taxable supplies. For the year ended September 30, 2000, the applicable rate was 70%. Purchases of goods for resale are eligible for 100% input tax credits.

GST receivable is net of any GST payable.

4. CAPITAL ASSETS

		Accumulated	Net Book Value	
	Cost	Depreciation	2000	1999
Photo library	$ 276,645	64,136	$ 212,509	$ 222,329
Furniture and equipment	309,890	119,526	190,364	198,790
Computer equipment	387,696	325,943	61,753	92,378
Central Reservation System	219,035	105,207	113,828	135,407
Leasehold improvements	447,134	34,219	412,915	9,406
Signs and displays	101,186	54,598	46,588	64,338
	$ 1,741,586	$ 703,629	$1,037,957	$ 722,648

5. BANK INDEBTEDNESS

The Authority has access to the following operating line of credit limits, repayable on demand with interest paid monthly at the TD Bank prime rate.

Base operating limit	$ 500,000
Incremental (available December 15 to March 31, annually)	$ 200,000

TOURISM SASKATCHEWAN
Notes to the Financial Statements
Year Ended September 30, 2000

6. DEFERRED CONTRIBUTIONS

Deferred Grant Contribution

Deferred grant contribution represents the accelerated receipt of an operating grant payment from Economic and Co-operative Development. Pursuant to the $6,915,000 annual funding agreement, the payment schedule was revised during the 1998/99 fiscal year. The transition to the revised payment schedule resulted in an accelerated payment of $288,125 being received before the Authority's 1998/99 fiscal year end. $288,125 of the annual receipts will continue to be deferred to maintain a level of operating grant revenue consistent with the annual funding agreement.

Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent contributions received for the purpose of purchasing capital assets for specific projects. During the year, $55,464 of contributions for the purchase of capital assets has been deferred. The contributions are being recognized on the same basis as the related capital assets are depreciated. During the year, $18,488 of the deferred contribution related to capital assets has been recognized as a reduction to depreciation expense. The remaining deferred contribution at September 30, 2000 is $36,976.

7. LONG TERM LIABILITIES

	2000	1999
Leasehold Improvement Loan		
Leasehold improvement loan due December 31, 2009 with an interest rate of 8.5%, repayable in monthly installments of $5,791 including principal and interest, secured by leasehold improvements and other capital assets.	$ 423,722	
Obligation Under Capital Lease		
Central Reservation System lease, 36 month term, expiring February 1, 2000 with monthly lease payments of $1,807, including taxes.	-	$ 10,344
Less due within one year	(34,811)	(10,344)
	$ 388,911	$ -

TOURISM SASKATCHEWAN
Notes to the Financial Statements
Year Ended September 30, 2000

8. NET ASSETS RESTRICTED FOR PROVINCIAL MARKETING FUND

During the year, the Authority's board of directors internally restricted $29,754 of unrestricted net assets for provincial marketing campaigns to be developed by the President's Marketing Advisory Council. The amount represents unspent marketing funds from the 1998/1999 marketing contracts with the tourism regions and is being restricted for this purpose consistent with the recommendation presented in the "KEEPING P.A.C.E." report of April 1998. These internally restricted amounts are not available for other purposes without approval of the board of directors.

Changes to the balance of net assets restricted for the Provincial Marketing Fund are as follows:

		2000
Beginning balance	$	-
Add internally imposed restrictions during the year		29,754
Less expenditures incurred during the year on provincial marketing campaigns		-
Ending balance	$	29,754

9. INDUSTRY CONTRIBUTIONS

Industry contributions not reflected in the financial statements amount to $305,428 ($223,939 in 1999) based upon management's figures submitted to the Canadian Tourism Human Resource Council (CTHRC). This amount relates to volunteer labour provided to training participants by industry partners at no cost for training and education initiatives under the CTHRC program.

10. RETAIL SALES

Retail sales are shown net of cost of goods sold of $68,096 ($88,190 in 1999).

11. COMMITMENTS

Leases

The Authority has entered into leases for office premises in Regina and Saskatoon and Visitor Information Centres at various locations in the province. The future minimum lease payments are as follows:

2001	$	259,588
2002		259,675
2003		259,675
2004		179,562
2005		176,167

Partnership Marketing Fund

The Authority has entered into contracts with the tourism regions to provide funds for eligible marketing activities to be carried out subsequent to the year-end. The maximum amount remaining to be paid out pursuant to these contracts and subject to the regions incurring eligible marketing expenditures by November 30, 2000 is $51,600.

TOURISM SASKATCHEWAN

Notes to the Financial Statements

Year Ended September 30, 2000

12. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

	2000	1999
Accounts receivable	$ 188,086	$ 44,386
GST receivable	(26,776)	10,338
Inventory	82,356	(85,406)
Prepaid expenses	(78,844)	258,328
Accounts payable and accrued liabilities	31,911	(125,557)
Unearned revenue	22,033	(56,366)
Deferred grant contribution	-	288,125
	$ 218,766	$ 333,848

13. COMPARATIVE FIGURES

Certain of prior year's comparative figures have been reclassified to conform to the current year's presentation.

TOURISM SASKATCHEWAN
Schedule of Administration Expenses
Year ended September 30, 2000

Schedule 1

	2000	1999
Bad debts	$ 15,822	$ 26,649
Building rental	32,962	41,358
Depreciation	25,520	19,103
Equipment rental	27,445	21,025
Insurance	11,875	10,674
Interest and bank charges	58,650	28,642
Legal	9,939	12,362
Postage	20,760	24,139
Professional services	27,455	89,867
Repairs and maintenance	4,295	1,950
Salaries and benefits	793,114	865,218
Stationery and supplies	19,871	25,093
System consulting/development	36,860	44,296
Telephone	14,620	17,304
Travel	4,728	43,414
	$ 1,103,916	$ 1,271,094

See accompanying notes to financial statements.

Deloitte & Touche

TOURISM SASKATCHEWAN
Schedule of Education and Training Expenses
Year ended September 30, 2000

Schedule 2

	2000	1999
Building rental	$ 49,239	$ 62,036
Depreciation	38,279	28,654
Professional services	151,449	378,501
Salaries and benefits	533,205	591,467
STEC training costs	289,629	443,693
Travel	32,089	73,775
Industry in-kind contributed goods and services	8,534	35,557
	$ 1,102,424	$ 1,613,683

See accompanying notes to financial statements.

TOURISM SASKATCHEWAN
Schedule of Marketing and Advertising Expenses
Year ended September 30, 2000 **Schedule 3**

	2000	1999
Advertising and media publicity	$ 1,431,872	$ 1,976,548
Association and professional dues	15,225	16,199
Audio visual supplies	1,184	9,951
Building rental	53,342	67,206
Courier and freight	26,885	46,215
Depreciation	55,301	43,983
Events	82,245	83,045
Partnership Marketing Fund	1,317,561	1,016,205
Postage	20,432	31,271
Professional services	191,149	459,924
Promotional items	21,166	15,655
Salaries and benefits	975,970	1,138,194
Subscriptions and reference material	2,009	4,367
Telephone	24,579	29,019
Tourism regions and industry partners marketing (Note 2a)	706,000	522,000
Travel	165,315	269,246
Travel show costs	54,019	150,850
Industry in-kind contributed goods and services	1,827,805	2,656,866
	$ 6,972,059	$ 8,536,744

See accompanying notes to financial statements.

Deloitte & Touche

TOURISM SASKATCHEWAN

Schedule of Membership and Visitor Services Expenses

Year ended September 30, 2000 **Schedule 4**

	2000	1999
Building rental	$ 156,320	$ 156,558
Depreciation	116,148	99,870
Postage	176,598	268,142
Printing, publishing and duplication	120,285	210,386
Professional services	3,762	13,725
Salaries and benefits	684,648	721,087
Telephone	65,884	72,056
Travel	7,714	11,781
Travel literature	588,841	473,622
Industry in-kind contributed goods and services	76,000	70,000
	$ 1,996,200	$ 2,097,227

See accompanying notes to financial statements.

Deloitte & Touche

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Training Completions Fund as at March 31, 2001 and the statement of operations and net assets for the year then ended. The Training Completions Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Training Completions Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 15, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

Training Completions Fund
Statement of Financial Position
As at March 31

	2001	2000
Assets		
Due from General Revenue Fund (Note 4)	$ 282,443	$ 195,011
Accounts receivable	0	275
	$ 282,443	$ 195,286
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 485	$ 2,520
Net assets (Statement 2)	281,958	192,766
	$ 282,443	$ 195, 286

(See accompanying notes to the financial statements)

Statement 2

Training Completions Fund
Statement of Operations and Net Assets
For the Year Ended March 31

	2001	2000
Revenue		
Contributions	$ 76,895	$ 68,936
Interest income	12,297	7,876
	89,192	76,812
Expenses	0	0
Surplus for the year	89,192	76,812
Net assets, beginning of year	192,766	115,954
Net assets, end of year - to Statement 1	$ 281,958	$ 192, 766

(See accompanying notes to the financial statements)

Training Completions Fund
Notes to the Financial Statements
March 31, 2001

1. Purpose of the Fund

The Training Completions Fund (Fund) was created under the *Private Vocational Schools Regulation Act, 1995.* The act was proclaimed on December 15, 1995.

The Fund is administered by the Department of Post-Secondary Education and Skills Training. The revenue of the Fund consists of monies that operators are directed by regulations to provide, donations to the Fund and earnings from the investments of the Fund. The Fund is to be used to provide the financial resources necessary to continue the training of students affected by the closure of a school.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles.

3. Related Party Transactions

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Post-Secondary Education and Skills Training.

4. Due From General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. The Fund's interest is calculated and paid from the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for 2000/01 is 5.59% (1999/00 – 4.79%)

5. Financial Instruments

The Fund's financial instruments include due from General Revenue Fund, accounts receivable and accounts payable. Due to the immediate or short-term nature, the fair value of these financial instruments approximates their carrying values.

6. Cash Flow Statement

A cash flow statement has not been presented since the cash flow information is readily apparent from the other financial statements.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Transportation Partnerships Fund as at March 31, 2001 and the statements of revenue, expenditure and net assets and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Transportation Partnerships Fund as at March 31, 2001 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wendel

Regina, Saskatchewan
August 20, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

TRANSPORTATION PARTNERSHIPS FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
ASSETS		
Current Assets:		
Due from General Revenue Fund (Note 3)	$ 2,956,678	$ 1,702,178
Accounts Receivable	417,275	526,219
	$ 3,373,953	$ 2,228,397
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	$ 29,318	$ 9,202
Net Assets (Statement 2)	3,344,635	2,219,195
	$ 3,373,953	$ 2,228,397

(See accompanying notes to financial statements)

Statement 2

TRANSPORTATION PARTNERSHIPS FUND
STATEMENT OF REVENUE, EXPENDITURE AND NET ASSETS
For The Year Ending March 31

	2001	2000
Revenue		
Transportation Partnerships Agreement Revenues	$ 1,160,214	$ 1,265,299
Sale of Technology	16,050	12,000
Interest Revenue (Note 3)	140,295	61,994
Total Revenue	$ 1,316,559	$ 1,339,293
Expenditure		
Highway Improvement Projects	$ 43,723	$ 64,372
R & D Costs	53,364	3,973
Technology Manufacturing Costs	8,754	9,202
Administrative Expenses (Note 4)	85,278	75,025
Total Expenditure	$ 191,119	$ 152,572
Surplus for the year	$ 1,125,440	$ 1,186,721
Net Assets, beginning of year	2,219,195	1,032,474
Net Assets, end of year (Statement 1)	$ 3,344,635	$ 2,219,195

(See accompanying notes to financial statements)

Statement 3

TRANSPORTATION PARTNERSHIPS FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash Receipts From Transportation Companies	$ 1,276,326	$ 1,088,026
Cash Receipts From Technology Sales	28,050	-
Interest Received	122,295	40,388
Cash Paid For Highway Improvement Projects	(38,280)	(64,372)
Cash Paid For R & D Initiatives	(29,490)	(3,973)
Cash Paid For Manufacturing Costs	(17,956)	-
Cash Paid to R.M. Shareables	(1,167)	(908)
Cash Paid For Administration	(85,278)	(175,025)
Net (decrease)increase in cash	$ 1,254,500	$ 884,136
Due From General Revenue Fund, beginning of year	1,702,178	818,042
Due From General Revenue Fund, end of year	$ 2,956,678	$ 1,702,178

(See accompanying notes to financial statements)

TRANSPORTATION PARTNERSHIPS FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition of Entity

The Transportation Partnerships Fund was established effective July 1, 1997 pursuant to Section 8 of *The Highways and Transportation Act, 1997*. The purpose of the Fund is to generate revenues to be used for highway improvement projects. The Transportation Partnerships Fund generates revenues subject to the terms of trucking partnership agreements, in which the transportation companies pay the Fund a portion of cost savings achieved from being able to haul overweight and/or over dimension loads. Additional revenues are raised through the marketing of transportation-related technology and expertise.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following accounting principles are considered significant.

a) Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting.

b) Cash and cash equivalents consist of amounts on deposit with the General Revenue Fund.

3. Due from General Revenue Fund

The monies of the Transportation Partnerships Fund are deposited in the General Revenue Fund. Under this arrangement, earned interest is calculated and paid by the General Revenue Fund on the net position of the Transportation Partnerships Fund on a quarterly basis using the Government's thirty day borrowing rate and the Transportation Partnerships Fund's average daily bank account balance. The effective interest in the year was 5.42% (2000 – 5.08%).

4. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards, and commissions are related as they are controlled by the Government. These financial statements include transactions with other Government agencies. These transactions are in the normal course of operations and are recorded at agreed upon exchange amounts. During the year, the Fund was charged $85,278 (2000 - $75,025) by the Department of Highways and Transportation General Revenue Fund for salary and administrative expenses.

Accounts payable consist of $29,318 (2000 - $9,202) due to the Highways Revolving Fund.

Transportation partnerships agreement revenues include $32,808 (2000 - $122,678), from SaskPower, a related party, pursuant to a transportation partnership agreement between the Fund and SaskPower. At year-end, SaskPower owed the Fund $0 (2000 - $32,852).

The Fund earned interest income of $140,295 (2000 - $61,994) on monies deposited in the General Revenue Fund. At year-end, the Fund had monies deposited in the General Revenue Fund totaling $2,956,678 (2000 - $1,702,178).

5. Comparison of Planned and Actual Results

	Budget	Actual	Variance
REVENUE			
Transportation Partnership Agreements	$ 1,205,200	$1,160,214	$ (44,986)
Other Revenue	45,000	16,050	(28,950)
Interest Revenue	30,000	140,295	110,295
	$ 1,280,200	$1,316,559	$ 36,359
EXPENDITURES			
Road Expenditures	$ -	$ 43,723	$ (43,723)
Other Transportation Initiatives	156,700	62,118	94,582
Administrative Expenses	146,500	85,278	61,222
	$ 303,200	$ 191,119	$ 112,081
SURPLUS (DEFICIT) FOR THE YEAR	$ 977,000	$1,125,440	$ 148,440

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the University of Regina Crown Foundation as at April 30, 2000 and the statement of operations and changes in net assets for the year then ended. The University of Regina Crown Foundation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University of Regina Crown Foundation as at April 30, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

G. F. Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
May 3, 2000

Statement 1

UNIVERSITY OF REGINA CROWN FOUNDATION
STATEMENT OF FINANCIAL POSITION
As at April 30

	2000	1999
Assets		
Cash	$ NIL	$ NIL
Net assets (Statement 2)	$ NIL	$ NIL

On behalf of the Board of Trustees

Chairperson of the Board

for Secretary of the Board

(See accompanying notes to the financial statements)

Statement 2

UNIVERSITY OF REGINA CROWN FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
For the year ended April 30

	2000	1999
Revenues		
Donations	$ NIL	$ NIL
Interest income	NIL	NIL
	NIL	NIL
Expenses		
Disbursements to the University of Regina	NIL	NIL
(Deficiency) of revenues over expenses	NIL	NIL
Net assets, beginning of year	NIL	NIL
Net assets, end of year - to Statement 1	$ NIL	$ NIL

(See accompanying notes to the financial statements)

UNIVERSITY OF REGINA CROWN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2000

1. Authority

The University of Regina Crown Foundation is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University of Regina for the purpose of supporting and promoting its education or research activities.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

3. Related Party Transactions

Saskatchewan Crown controlled departments and agencies are related to the Foundation.

The University of Regina is also related to the Foundation through representation on the Foundation's Board of Trustees. The University of Regina provides management services to the Foundation without charge, therefore, no provision for such costs is reflected in these financial statements.

4. Organizational Status

Prior to 1997, in certain circumstances, there were personal income tax advantages for individuals to donate to the University via the University of Regina Crown Foundation. These advantages were removed by 1997 Federal Income Tax regulation changes.

In 1997, the Canada Customs and Revenue Agency (CCRA) stated that in 2001 they would review the changes made in 1997. At that time, there may again be personal income tax advantages for individuals to donate to the University via the University of Regina Crown Foundation.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the University of Saskatchewan Crown Foundation as at April 30, 2000 and the statements of operations and changes in net assets and of cash flows for the year ended April 30, 2000. The University of Saskatchewan Crown Foundation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University of Saskatchewan Crown Foundation as at April 30, 2000 and the results of its operations and its cash flows for the year ended April 30, 2000 in accordance with generally accepted accounting principles.

Regina, Saskatchewan
August 29, 2000

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30

	2000	1999
Assets		
Cash	$ 286,693	$ 369,159
	$ 286,693	$ 369,159
Net assets (Statement 2)	$ 286,693	$ 369,159

On behalf of the Board of Trustees

Chairperson of the Board

Secretary of the Board

(See accompanying notes to the financial statements)

Statement 2

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30

	2000	1999
REVENUES		
Donations	$ 683,048	$ 138,891
Interest	33,190	16,641
	716,238	155,532
EXPENSES		
Transfer to University of Saskatchewan	784,965	100,000
Insurance policy premiums (Note 3)	13,739	20,735
	798,704	120,735
Excess of revenues over expenses	(82,466)	34,797
Release of Works of Art to The University of Saskatchewan	-	(136,250)
Net assets, beginning of year	369,159	470,612
Net assets, end of year - to Statement 1	$ 286,693	$ 369,159

(See accompanying notes to the financial statements)

Statement 3

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30

	2000	1999
Cash provided by (used in):		
Operating activity:		
Excess of revenue over expenditure	$ (82,466)	$ 34,797
Net increase (decrease) in cash position during the year	(82,466)	34,797
Cash, beginning of year	369,159	334,362
Cash, end of year	$ 286,693	$ 369,159

(See accompanying notes to the financial statements)

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

April 30, 2000

1. Authority and Purpose

The University of Saskatchewan Crown Foundation (Foundation) is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in the right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University of Saskatchewan (University) for the purpose of supporting and promoting its education or research activities. The Foundation began operations on December 20, 1995.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant:

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Donations and Pledges

Donations are recorded as revenue in the fiscal period in which they are received. Gifts in Kind are recorded at fair market value on the date of their donation.

Pledges made by donors for donations to be received in future years are not recorded in the financial statements.

3. Life Insurance Premiums

Life insurance premiums may be paid by individuals directly or through a donation to the Foundation for life insurance policies naming the Foundation as the beneficiary. The premiums are included in both revenue and expenses.

4. Related Party Transactions

These financial statements include transactions with related parties. The Foundation is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Crown Foundation is related to non-Crown enterprises that the Government jointly controls or significantly influences.

The University of Saskatchewan is related to the Foundation. The Foundation has negotiated a service agreement with the University to provide certain administrative and management services to the Foundation without charge, therefore, no provision for such costs is reflected in these financial statements.

The Foundation has arranged with the University to invest the Foundation's cash as part of the University's short-term investment pool. Interest income is allocated by the University to the Foundation based on its level of participation in the investment pool.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Victims' Fund as at March 31, 2001 and the statements of operations and accumulated surplus (deficit), cash flows and tangible capital assets for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 8, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
Financial assets:		
Due from General Revenue Fund (Note 5)	$ 45,365	$ 210,188
Accounts receivable (Note 6)	573,391	588,087
Due from Public Trustee (Note 7)	3,366,476	3,446,721
Total financial assets	3,985,232	4,244,996
Liabilities:		
Accounts payable	32,134	74,013
Employee leave entitlement	9,410	6,762
Deferred Revenue (Notes 2 and 8)	90,616	153,707
Total liabilities	132,160	234,482
Accumulated surplus (Statement 2)	$ 3,853,072	$ 4,010,514
Accumulated surplus represented by:		
Accumulated operating results	$ 3,856,617	$ 4,013,477
Less tangible capital assets (Statement 4)	(3,545)	(2,963)
	$ 3,853,072	$ 4,010,514

(See accompanying notes to the financial statements)

Statement 2

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (DEFICIT)
For the Year Ended March 31

	Budget	Actual	
	2001	2001	2000
	(Note 9)		
Revenue:			
Surcharge revenue	$ 2,500,000	$ 2,318,859	1,976,709
Proceeds of Crime (Note 8)	—	107,595	—
Investment income (Note 7)	320,000	394,754	376,176
Other	5,000	15,200	24,414
Total revenue	2,825,000	2,836,408	2,377,299
Expense:			
Administration costs	444,000	419,225	406,089
Crisis intervention services	1,711,000	1,619,917	1,612,447
Court based programs	200,000	196,625	190,393
Compensation payments	300,000	312,454	370,728
Restitution program	135,000	135,147	108,833
Research and education	210,000	202,305	190,408
Proceeds of Crime	—	107,595	—
Special projects	—	—	26,399
Total expense (Schedule 1)	$ 3,000,000	$ 2,993,268	$ 2,905,297
Operating results	(175,000)	(156,860)	(527,998)
Net decrease (increase) in tangible capital assets	—	(582)	10,737
Deficit for the year	$ (175,000)	(157,442)	(517,261)
Accumulated surplus, beginning of year		4,010,514	4,527,775
Accumulated surplus, end of year (Statement 1)		$ 3,853,072	$ 4,010,514

(See accompanying notes to the financial statements)

Statement 3

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2001	2000
Cash flows from Operating Activities:		
Deficit for the year	$ (157,442)	$ (517,261)
Changes in non-cash working capital balances:		
Decrease in accounts receivable	14,695	297,585
Decrease in due from Public Trustee	80,245	148,824
(Decrease) increase accounts payable	(41,879)	47,651
Increase in employee leave entitlement	2,648	1,958
Increase (decrease) in deferred revenue	(63,090)	153,707
(Decrease) increase in cash for year	(164,823)	132,464
Due form General Revenue Fund, beginning of year	210,188	77,724
Due from General Revenue Fund, end of year	$ 45,365	$ 210,188

(See accompanying notes to the financial statements)

Statement 4

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF TANGIBLE CAPITAL ASSETS
For the Year Ended March 31

	2001	2000
	Equipment	
Opening cost	$ 61,768	$ 59,137
Additions during the year	4,002	2,631
Disposals	—	—
Closing cost	65,770	61,768
Opening accumulated amortization	58,805	45,437
Annual amortization	3,420	13,368
Disposals	—	—
Closing accumulated amortization	62,225	58,805
Net book value of tangible capital assets	$ 3,545	$ 2,963

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority

The Victims' Fund (Fund) was established by *The Victims of Crime Act* as amended April 1, 1992, and continues under the authority of *The Victims of Crime Act, 1995* (Act). The Fund receives all provincial and federal fine surcharges assessed under the Act and under the Criminal Code. The Act permits expenditures from the Fund to promote and deliver services and benefits to victims; to conduct research and to distribute information respecting victims' services, needs and concerns; and for crime prevention and administration.

2. Accounting Policies

These financial statements are prepared using Canadian accounting principles appropriate for the public sector and reflect the following significant accounting principles.

a) Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue

i) Surcharge Revenue

Surcharge revenue represents provincial and federal fine surcharges collected by the Department of Justice in accordance with *The Victims of Crime Act, 1995* and the Criminal Code. The Department of Justice is responsible for collecting the surcharges on behalf of the Fund. Surcharges are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

ii) Proceeds of crime funding

Proceeds of crime funding from the Federal Government is recognized as revenue in the year related expense are incurred due to restrictions imposed by the Federal Government (see Note 8).

c) Expense

Expense represents the cost of resources consumed during the year for operations. Expense includes provision for the amortization of tangible capital assets.

d) Tangible Capital Assets

Tangible capital assets acquired before March 31, 1997, that have a value greater than $500 and a useful life greater than one year are capitalized and amortized on a straight-line basis over five years. Tangible capital assets acquired after March 31, 1997, that have a value greater than $500 and a useful life greater than one year are capitalized and amortized on a straight-line basis over three years.

e) Net Decrease (Increase) in Tangible Capital Assets

The net decrease (increase) in tangible capital assets represents adjustments required to report the surplus (deficit) for the year on an expenditure basis.

3. Financial Instruments

The Fund has the following financial instruments: due from General Revenue Fund, due from Public Trustee, accounts receivable, and accounts payable. The following paragraphs disclose the significant aspects of these financial instruments.

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on cash flows, financial position and income.

The Fund is exposed to interest rate risk when the value of its financial instruments fluctuate due to changes in market interest rates.

The Fund's receivables and payables are non-interest bearing. Due to the short-term nature of these, interest rate risk is minimal.

As market interest rates fluctuate the market value of fixed income investments moves in the opposite direction. This risk may affect the price the Fund can sell the investments for prior to maturity.

b) Credit risk

The Fund is exposed to credit risk from potential non-payment of amounts due from General Revenue Fund, accounts receivable or due from Public Trustee.

The Fund's accounts receivable arise from fine surcharges assessed against individuals. Credit risk associated with accounts receivable relates to unpaid fine surcharges. The amount of fines which will eventually be collected is difficult to measure. The amount at which accounts receivable are stated in the financial statements is an estimate of fines, which will be collected, based on past experience.

The Fund's due from Public Trustee consist of government and government guaranteed bonds, corporate bonds, and shares in Canadian and foreign companies. Credit risk is minimal for government and government guaranteed bonds. Credit risk for corporate bonds is related to investees' abilities to redeem their bonds upon maturity. The Fund limits the credit risk by having Public Trustee invest their funds in securities considered to be high quality.

c) Fair Value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Due from General Revenue Fund
Accounts receivable
Accounts payable

The fair value of due from Public Trustee at March 31, 2001 is $3,366,476 (2000 - $3,446,721).

4. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

The Fund received certain administrative services from the Departments of Justice and Finance without charge.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements.

5. Due from General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund using the Government's thirty day borrowing rate and the Fund's average daily bank account balance. The Government's average thirty day borrowing rate for 2000/01 is 5.43% (1999/00 – 4.79%). Interest earned for the year was $14,330 (2000 - $14,777).

6. Accounts Receivable

This amount represents surcharges due to the Fund on account of fines levied against, but not yet paid, by individuals and miscellaneous receivables. The balance at March 31 consists of:

	2001	2000
Surcharge receivable	$ 571,541	$ 566,370
Other Accounts Receivable	1,850	21,717
Total accounts receivable	$ 573,391	$ 588,087

7. Due from Public Trustee

The Fund invests a portion of its surplus funds with the Public Trustee for Saskatchewan. The Public Trustee invests these monies, together with monies it administers for its other clients, in a common fund. Income earned in the common fund, together with part of the change in market values of common fund investments, is allocated annually to clients, including Victims' Fund. The change in market value of common fund investments is allocated equally over four years.

The Fund records amounts allocated to it by Public Trustee as income or loss and adjusts the carrying value of its investment by the same amount. Fair value approximates the carrying value of investments.

8. Proceeds of Crime

Under the federal *Seized Property Management Act* and the Forteited Property Sharing Regulations the Federal Government receives monies from seizures by police during drug investigations and other illegal activities. Treasury Board approved the deposit of the proceeds of crime into the Fund. The funds were deposited prior to March 31, 2000. On April 17, 2000 the Province entered into an agreement with the Federal Government that specifies the funds are to be used to support crime prevention, issues of substance abuse and law enforcement.

9. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Fund's budget annually.

Schedule 1

DEPARTMENT OF JUSTICE
VICTIMS' FUND
SCHEDULE OF EXPENSE BY OBJECT
For the Year Ended March 31

	2001	2000
Expense:		
Community grants	$ 1,671,937	$ 1,669,567
Salaries	602,917	579,083
Contractual services	148,847	134,559
Compensation awards	312,454	370,728
Administration	132,150	123,485
Victim/witness rooms/softrooms	12,415	10,000
Systems expenses	1,533	4,507
Proceeds of Crime	107,595	---
Amortization	3,420	13,368
	$ 2,993,268	$ 2,905,297

KPMG LLP
Chartered Accountants

AUDITORS' REPORT TO THE BOARD

We have audited the balance sheet of Wanuskewin Heritage Park Authority as at March 31, 2001 and the statements of operations and general fund balance and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Saskatoon, Saskatchewan
June 1, 2001

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association

WANUSKEWIN HERITAGE PARK AUTHORITY

Balance Sheet

March 31, 2001, with comparative figures for 2000

	2001	2000
Assets		
Current assets:		
Cash	$ 9,460	$ 10,396
Accounts receivable	136,391	43,130
Inventories	113,686	123,221
Prepaid expenses	12,163	6,156
	271,700	182,903
Capital assets (note 4)	7,206,263	7,707,441
	$ 7,477,963	$ 7,890,344
Liabilities and Fund Balances		
Current liabilities:		
Line of credit (note 5)	$ 53,225	$ 19,958
Accounts payable and accrued liabilities	144,166	219,919
Current portion of long-term debt (note 6)	135,595	125,200
	332,986	365,077
Long-term debt (note 6)	277,392	411,992
Deferred contributions related to capital assets (note 7)	6,435,674	6,924,734
Fund balances:		
Contribution related to land	434,006	434,006
General	(2,095)	(245,465)
	431,911	188,541
	$ 7,477,963	$ 7,890,344

See accompanying notes to financial statements.

On behalf of the Board:

________________ Director ________________ Director

WANUSKEWIN HERITAGE PARK AUTHORITY

Statement of Operations and General Fund Balance

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Revenue:		
Grants	$ 1,061,900	$ 714,827
Amortization of deferred contributions	489,060	495,013
Donations	148,391	146,156
Admission fees and memberships	126,938	126,572
Programs and other	87,098	92,326
Occupancy and rental	1,955	26,136
Earnings from gift shop (Schedule 1)	20,565	-
Loss from restaurant (Schedule 2)	(40,903)	-
	1,895,004	1,601,030
Expenses:		
Amortization	495,490	499,998
Executive	406,267	366,598
Programs	386,839	394,410
Resource management	252,382	217,625
Marketing	75,852	102,533
Corporate development	28,538	28,739
Human resource development	6,266	10,490
	1,651,634	1,620,393
Excess (deficiency) of revenue over expenses	243,370	(19,363)
General fund balance, beginning of year	(245,465)	(226,102)
General fund balance, end of year	$ (2,095)	$ (245,465)

See accompanying notes to financial statements.

WANUSKEWIN HERITAGE PARK AUTHORITY

Statement of Cash Flows

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Cash provided by (used in):		
Operations:		
Excess of expenses over revenue	$ 243,370	$ (19,363)
Items not requiring (providing) an outlay of cash:		
Amortization of capital assets	530,479	499,998
Amortization of deferred contributions	(489,060)	(495,013)
Change in non-cash operating working capital:		
Accounts receivable	(93,261)	68,094
Inventory	9,535	-
Prepaid expenses	(6,007)	12,340
Accounts payable and accrued liabilities	(75,753)	(48,479)
	119,303	17,577
Investing:		
Purchase of capital assets	(29,301)	(79,433)
Grant funding of capital assets	-	74,000
	(29,301)	(5,433)
Financing:		
Advances to Wanuskewin Indian Heritage Inc.	-	(113,663)
Increase in long-term debt	-	450,000
Repayments of long-term debt	(124,205)	(25,537)
Increase (decrease) in line of credit	33,267	(296,504)
	(90,938)	14,296
Increase (decrease) in cash position	(936)	26,440
Cash, beginning of year	10,396	(16,044)
Cash, end of year	$ 9,460	$ 10,396
Interest paid during the year	$ 44,372	$ 36,636

Cash position consists of deposits with Canadian chartered banks available within ninety days, net of cheques and other items in transit.

See accompanying notes to financial statements.

WANUSKEWIN HERITAGE PARK AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001

1. Purpose of Wanuskewin Heritage Park Authority:

Wanuskewin Heritage Park Authority ("WHPA") was established to operate the Wanuskewin Heritage Park which commenced full time commercial operations on June 1, 1992. WHPA is a registered charity (#0913384-52).

On March 29, 2000, WHPA acquired the restaurant and gift shop operations from Wanuskewin Indian Heritage Inc. ("WIHI") at the book value of the assets and liabilities.

2. Significant accounting policies:

(a) Revenue and expense recognition:

Revenue and expenses are recorded in the financial statements on the accrual basis. Under this method revenue is recognized in the fiscal period during which it becomes receivable. Expenses are recorded when goods or services are received.

(b) Inventories:

Inventories of restaurant supplies and gift shop products are carried at the lower of cost, on a first-in, first-out basis, and net realizable value.

(c) Capital assets and deferred contributions:

Capital assets are stated at cost and depreciated over the estimated useful lives of the assets on a straight-line basis at the following rates:

Asset	Rate
Equipment	10%
Vehicles	20%
Buildings and site development	4%
Site improvements and interpretive displays	5-10%

Funding, consisting mainly of grants and donations, received for capital asset acquisitions is deferred and amortized on the same basis as the asset to which it relates is depreciated.

WANUSKEWIN HERITAGE PARK AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001

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2. Significant accounting policies:

(d) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses for the reporting period. Actual amounts may differ from these estimates.

3. Economic Dependence:

WHPA is dependent on grants from various government entities to fund its operations. $994,000 of grant funding has been committed for the year ended March 31, 2002.

WANUSKEWIN HERITAGE PARK AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001

4. Capital assets:

			2001	2000
	Cost	Accumulated amortization	Net book value	Net book value
Park site:				
Land	$ 434,006	$ -	$ 434,006	$ 434,006
Buildings and site development	9,028,359	3,182,193	5,846,166	6,183,011
Park site - Phase II:				
Site improvements and interpretive displays	1,271,979	677,309	594,670	717,239
Other:				
Equipment and vehicles	122,438	78,956	43,482	50,258
	10,856,782	3,938,458	6,918,324	7,384,514
Gift Shop:				
Equipment	52,895	42,913	9,982	15,271
Building improvements	119,855	42,367	77,488	82,285
Restaurant:				
Equipment	137,047	119,299	17,748	31,395
Building improvements	281,390	98,669	182,721	193,976
	591,187	303,248	287,939	322,927
	$ 11,447,969	$ 4,241,706	$ 7,206,263	$ 7,707,441

5. Line of credit:

Peace Hills Trust $100,000 line of credit facility bears interest at prime plus 2% and is secured by a general security agreement.

WANUSKEWIN HERITAGE PARK AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001

6. Long-term debt:

	2001	2000
Peace Hills Trust loan at fixed rate of 8.25% repayable in monthly instalments of $9,178 including interest, due November 1, 2004. Secured by general security agreement providing a first charge over all assets of WHPA.	$ 346,473	$ 424,463
Peace Hills Trust loan at prime rate plus 2% repayable in monthly instalments of $4,566 including interest, due April 1, 2002. Secured by general security agreement providing a first charge over all assets relating to the gift shop and restaurant.	66,514	112,729
	412,987	537,192
Current portion of long-term debt	135,595	125,200
	$ 277,392	$ 411,992

Interest incurred on long-term debt was $39,854 for the year.

The aggregate expected repayments of long-term debt are as follows:

2002	$ 135,600
2003	106,900
2004	99,800
2005	70,687
	$ 412,987

WANUSKEWIN HERITAGE PARK AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001

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7. Deferred contributions related to capital assets:

	Contributions	Accumulated amortization	2001 Net Book Value	2000 Net Book Value
Park site:				
Buildings and site development	$ 9,004,379	$ 3,181,554	$ 5,822,825	$ 6,183,002
Park site - Phase II:				
Site improvements and interpretive displays	1,270,179	677,009	593,170	715,439
Other:				
Equipment and vehicle	60,213	40,534	19,679	26,293
	$ 10,334,771	$ 3,899,097	$ 6,435,674	$ 6,924,734

Schedule 1

WANUSKEWIN HERITAGE PARK AUTHORITY

Schedule of Gift Shop Operations

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Sales	$ 217,434	$ -
Cost of Sales	120,483	-
	96,951	-
Operating expenses:		
Wages and employee benefits	52,976	-
Amortization	10,087	-
Interest and bank charges	7,271	-
Travel	1,973	-
Office	1,886	-
Consultants	925	-
Telephone and utilities	702	-
Professional fees	361	-
Supplies and maintenance	205	-
	76,386	-
Earnings from gift shop	$ 20,565	$ -

Schedule 2

WANUSKEWIN HERITAGE PARK AUTHORITY

Schedule of Restaurant Operations

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Sales	$ 218,106	$ -
Cost of sales	82,011	-
	136,095	-
Operating expenses:		
Wages and employee benefits	146,996	-
Supplies and maintenance	26,681	-
Amortization	24,902	-
Office	7,672	-
Interest and bank charges	5,108	-
Telephone and utilities	1,899	-
Consultants	810	-
Travel	683	-
Professional fees	361	-
	215,112	-
Loss from restaurant before other income	(79,017)	-
Other income:		
Rental	34,167	-
Other	3,947	-
	38,114	-
Loss from restaurant	$ (40,903)	$ -

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Water Appeal Board as at March 31, 2001 and the statements of operations and net assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 13, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

WATER APPEAL BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
ASSETS		
Current assets:		
Cash	$ 33,860	$ 11,784
Accrued interest	138	47
	33,998	11,831
Capital assets (Note 3)	—	1,529
	$ 33,998	$ 13,360
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 2,399	$ 6,388
Appellant deposits (Note 4)	2,400	6,000
	4,799	12,388
Net assets (Statement 2)	29,199	972
	$ 33,998	$ 13,360

(See accompanying notes to the financial statements)

Statement 2

WATER APPEAL BOARD
STATEMENT OF OPERATIONS AND NET ASSETS
For the Year Ended March 31

	2001		2000
	Budget (Note 6)	Actual	Actual
Revenues:			
Grant from Department of Environment and Resource Management - General Revenue Fund		$ 90,000	$ 80,000
Transcript fees		17	1,434
Interest		2,550	1,072
Appellant fees (Note 4)		600	3,000
		93,167	85,506
Expenses:			
Board honorariums	$ 34,200	$ 22,030	$ 29,887
Travel and sustenance	25,000	11,751	17,580
Secretarial services	17,500	15,537	19,430
Professional fees	12,000	1,471	9,819
Office supplies (including postage, photocopying)	5,500	3,729	4,227
Meeting room rental	5,500	2,045	4,185
Transcript fees	3,000	486	1,434
Office rental	2,500	2,683	2,699
Telephone	3,500	3,074	3,384
Amortization of capital assets	—	1,529	1,667
Accounting and printing services	1,500	422	360
Other	1,000	183	470
	$ 111,200	64,940	95,142
Surplus (Deficit) for the year		28,227	(9,636)
Net assets, beginning of year		972	10,608
Net assets, end of year - to Statement 1		$ 29,199	$ 972

(See accompanying notes to the financial statements)

Statement 3

WATER APPEAL BOARD
STATEMENT OF CASH FLOWS
Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash received from General Revenue Fund	$ 90,000	$ 80,000
Cash received from appellants (Note 4)	1,800	3,800
Cash received from customers	17	1,434
Interest received	2,459	1,111
Cash paid to board members for honoraria, travel and sustenance	(33,781)	(47,467)
Cash paid to appellants (Note 4)	(4,800)	(800)
Cash paid to suppliers	(33,619)	(48,432)
Net increase (decrease) in cash	22,076	(10,354)
Cash, beginning of year	11,784	22,138
Cash, end of year	$ 33,860	$ 11,784

WATER APPEAL BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority

The Water Appeal Board was established under *The Water Appeal Board Act*, on July 1, 1984. The purpose of the Board is to hear and determine appeals made to it pursuant to *The Water Corporation Act.*

2. Significant Accounting Policies

These financial statements have been prepared using generally accepted accounting principles. The following accounting policies are considered significant.

a) Grant from the General Revenue Fund

The grant from the General Revenue Fund is recognized when appropriated and received.

b) Appellant fees

Appellant deposits are recognized as appellant fee revenue when the appeals have been heard and the appellant is not successful in his/her appeal.

c) Capital assets

Capital assets are recorded at cost and amortized over their useful lives. Amortization of equipment is calculated on a straight-line basis over three years.

3. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2001	2000	2001	2000	2001	2000
Equipment	$ 9,514	$ 9,514	$ 9,514	$ 7,985	$ —	$ 1,529

4. Appellant Deposits

Appellant deposits are held by the Board until the appeal has been heard and the decision rendered. Once the decision has been rendered by the Board these deposits are dealt with in one of two manners:

i) The deposit is returned to the appellant if he/she has been successful in his/her appeal.

ii) The deposit is retained by the Board and recorded as income if the appellant is not successful in his/her appeal.

At year end, the Board had 10 outstanding appeals.

5. Financial Instruments

The Board's financial instruments include cash, accrued interest, accounts payable and appellant deposits. The fair value of these instruments approximates their carrying value due to the immediate or short-term nature of these financial instruments.

6. Budget

These amounts represent the budget approved by the Water Appeal Board.

7. Related Party Transactions

These financial statements include transactions with related parties. The Board is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Board is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Routine related party transactions included expenses totalling $5,152 (2000 - $5,822) and account payables at March 31, 2001 of $245 (2000 - $857).

The Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

8. Contingency

The Court of Queen's Bench has quashed one of the Board's decisions. The Court's judgment also found the Board responsible for the cost of the Court hearing. The Board has launched an appeal of the Court's cost order. The ultimate outcome of this action is not yet determinable. Any payments arising from the resolution of this action will be accounted for as an expense of the year in which the settlement occurs.

AUDITORS' REPORT

To the Members of the Workers' Compensation Board (Saskatchewan)

We have audited the statement of financial position of the Workers' Compensation Board (Saskatchewan) as at December 31, 2000 and the statements of operations and injury fund and cash flow for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Workers' Compensation Board as at December 31, 2000 and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Regina, Canada

March 12, 2001

Statement of Financial Position

As at December 31, 2000

	2000	1999
	(thousands of dollars)	
Assets		
Cash and short-term investments	**$ 48,490**	$ 32,960
Accounts receivable	**11,817**	13,678
Accrued interest	**6,489**	4,616
Investments (note 3)	**806,970**	785,875
Capital assets (note 4)	**27,581**	29,123
	$ 901,347	$ 866,252
Liabilities		
Accounts payable (note 5)	**$ 22,927**	$ 22,615
Rebates payable (note 6)	**58,501**	49,380
Benefits liabilities (note 7)	**599,926**	592,082
Annuity fund payable	**83,001**	69,879
	764,355	733,956
Reserves and Injury Fund (note 8)	**136,992**	132,296
	$ 901,347	$ 866,252

See accompanying notes to financial statements.

On behalf of the Board:

Norm Brown
Acting Chairman

Darlene Light
Board Member

Statement of Operations and Injury Fund

Year ended December 31, 2000

	2000	1999
	(thousands of dollars)	
Revenues:		
Premiums (note 9)	$ 124,814	$ 141,499
Investment income	105,633	96,206
	230,447	237,705
Expenses:		
Compensation (note 7)	104,585	108,180
Administration expenses (Schedule 1)	37,513	37,016
Medical Aid	37,380	31,378
Occupational Health & Safety	5,404	5,224
Vocational Rehabilitation	3,665	2,562
Worker's Advocate	587	561
Prevention Services	617	614
	189,751	185,535
Operating surplus before declared employer rebate	40,696	52,170
Declared employer rebate (note 6)	36,000	36,000
Operating surplus after declared employer rebate	4,696	16,170
Provision for legislated obligation (note 5)	0	(23,000)
Net surplus (deficit)	4,696	(6,830)
Injury Fund, beginning of year (note 8)	28,397	19,339
Appropriation from contingency reserve	0	23,000
Appropriation to other reserves (note 8)	(2,362)	(7,112)
Injury Fund, end of year (note 8)	$ 30,731	$ 28,397

See accompanying notes to financial statements.

Statement of Cash Flow

Year ended December 31, 2000

	2000	1999
	(thousands of dollars)	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from:		
Premiums	$ 145,596	$ 133,870
Dividends and interest	56,211	41,373
	201,807	175,243
Cash paid to:		
Claimants, or third parties on their behalf	134,278	123,230
Employees and suppliers, for administrative and other goods and services	36,721	34,695
Employers for the declared employer rebates	41,371	16,874
Surviving spouses	480	18,400
Department of Labour	9,033	7,596
	221,883	200,795
Net cash used for operating activities	(20,076)	(25,552)
CASH FLOW FROM INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	1,150,276	1,346,979
Disposal of capital assets	6	0
	1,150,282	1,346,979
Cash paid for:		
Purchase of investments	1,111,653	1,350,413
Purchase of capital assets	3,023	3,057
	1,114,676	1,353,470
Net cash provided from (used for) investing activities	35,606	(6,491)
Increase (decrease) in cash during the year	15,530	(32,043)
Cash and short-term investments, beginning of year	32,960	65,003
Cash and short-term investments, end of year	$ 48,490	$ 32,960
Comprised of:		
Cash less outstanding cheques	$ (1,463)	$ (542)
Short-term investments	49,953	33,502
	$ 48,490	$ 32,960

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 2000

1. Status of the Board:

The Workers' Compensation Board operates under the authority of The Workers' Compensation Act, 1979, Statutes of Saskatchewan (the Act).

In accordance with the provisions of the Act, the Board's general powers and purposes are to provide workers' compensation insurance to Saskatchewan workers and employers.

The Board maintains an injury fund representing all funds collected and expenses incurred to administer the Act.

2. Significant Accounting Policies:

Cash and Short-term Investments

(i) Short-term investments are recorded at the lower of cost and market value.

(ii) Cash and short-term investments are funds consisting of cash and money market instruments which will be liquidated in the near term.

Investments

(i) Bonds and debentures are recorded at cost with any discount or premium amortized on a straight-line basis over the period remaining to the maturity date of the investment.

(ii) Equities, pooled equity funds and real estate are valued using a five-year moving average of market values, thereby allowing for a gradual movement toward current market values.

(iii) Mortgages are recorded at cost and the principal is reduced by principal repayments throughout the year.

(iv) Gains or losses on the sale of investments are amortized to revenue. The amortization period for equities is five years and for bonds and debentures is over the remaining period to maturity of the securities sold.

(v) A decline in market value which is considered other than temporary is recognized immediately.

Capital Assets

Amortization is recorded on a straight-line basis, at the following rates:

Building	2.50%
Office furnishings	10%
Computer equipment	20%
Rehabilitation equipment	5% - 20%
Rehabilitation facility	2.50%
Software Development	33.33%

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is payable by installments within the current year. At year end, assessment income is adjusted based on a review of the employers' actual payrolls.

The Board records debt/surplus amortization at the time the Board ratifies the continuation of the program in conjunction with formally approving the annual employer levy.

Benefits Liabilities

The benefits liabilities are determined annually through an actuarial valuation and represent a provision for future payments relating to incurred claims which occurred on or before December 31. The provisions are determined by estimating future benefit payments in accordance with the legislation in force and adjudication practices in effect at December 31, 2000.

The benefits liabilities do not include any provision for payment of claims relating to self-insurers, as they are a liability of the self-insurers.

A liability is not recorded for future administration costs of incurred claims. (See Note 8 - Future Benefits Administration reserve.) Similarly provision has not been made for the costs of claims for occupational diseases, or for the cost of existing claims for diseases and injuries that are not currently considered to be work-related, but may in the future be considered to be work-related.

Annuity Fund Payable

The annuity fund is established pursuant to sections 74 and 83(5) of the Act, to provide injured workers and dependent spouses for the loss of retirement income due to a workplace injury. The fund represents 10% of eligible payments already made plus interest calculated at the Board's actual rate of return on its investments for the year. This liability is not discounted and a separate fund of investments is not maintained.

All future costs, excluding interest, are provided for as part of benefits liabilities.

Foreign Currency Translation

Monetary items denominated in foreign currency are translated at the exchange rate in effect at the year end. Equity investments, revenues and expenses are translated at the exchange rate in effect at the transaction date.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and reserves, revenues and expenses. The more subjective of such estimates and assumptions relate to premium revenues receivable, benefits liabilities and the Board's legislated obligations to surviving spouses. By their nature, these estimates and assumptions are subject to measurement uncertainty. Management believes its estimates and assumptions are appropriate; however, actual results could differ from the amounts estimated.

Employee Benefit Plans

Commencing January 1, 2000, the Board prospectively applied the new accounting recommendations for employee future benefits. The transitional asset is being amortized over the average remaining service period of active employees expected to receive benefits under the benefit plans. The cost of pensions and other retirement benefits earned by employees is determined using the projected benefit method pro rated on service and management's best estimate of expected plan investment performance, salary escalation and retirement ages of employees. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. For purposes of calculating the expected return on plan assets, those assets are valued at fair value. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of the plan assets is amortized over the average remaining service life of active employees. For the defined contribution plan, employee contributions are matched by the Board and expensed in the period made.

3. Investments:

(a) The carrying amount and fair value of investments are as follows:

	2000		1999	
	CARRYING AMOUNT	**FAIR VALUE**	**CARRYING AMOUNT**	**FAIR VALUE**
		(thousands of dollars)		
Bonds and fixed term securities	**$ 428,999**	**$ 434,983**	$ 444,077	$ 429,434
Equities and pooled equity funds	**365,295**	**476,673**	300,196	485,438
Mortgages and real estate	**25,986**	**27,495**	20,489	22,159
Unamortized gains and losses	**(13,310)**	**-**	21,113	-
	$ 806,970	**$ 939,151**	$ 785,875	$ 937,031

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Cash and short-term investments:

All short-term investments are in Canadian securities. These investments have an aggregate principal amount of $49,953,000 (1999 - $33,502,000) and are comprised of notes and commercial paper with effective interest rates of 5.50% to 6.30% (1999 - 4.37% to 5.49%).

(ii(a)) Bonds and other fixed-term securities - interest risk:

		2000		1999	
	INTEREST RECEIVABLE BASIS	**EFFECTIVE RATES (% RANGE)**	**COUPON RATES (% RANGE)**	**EFFECTIVE RATES (% RANGE)**	**COUPON RATES (% RANGE)**
Government of Canada	semi-annual	**3.42-5.99%**	**4.00-11.25%**	4.03-6.80%	0-8.00%
Provincial Securities	semi-annual	**5.34-6.45%**	**5.25-8.75%**	6.53-6.90%	5.50-8.75%
Corporate Securities	semi-annual	**5.35-8.10%**	**4.83-9.90%**	6.19-7.58%	5.50-7.15%

(ii(b)) Bonds and other fixed-term securities - principal amount and carrying amount:

The principal amount and carrying amount are shown by contractual maturity.

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

TERM TO MATURITY	2000 PRINCIPAL AMOUNT	CARRYING AMOUNT	1999 PRINCIPAL AMOUNT	CARRYING AMOUNT
		(thousands of dollars)		
Government of Canada				
After one through five years	**$ 132,068**	**$ 131,384**	$ 97,465	$ 97,919
After five years	**73,564**	**83,197**	173,854	170,209
Provincial Securities				
After one through five years	**32,902**	**34,876**	15,336	17,174
After five years	**47,155**	**46,940**	49,324	52,111
Corporate Securities:				
Due in one year or less	**850**	**850**	1,749	1,748
After one through five years	**72,114**	**71,728**	67,140	66,835
After five years	**59,574**	**60,024**	37,827	38,081
	$ 418,227	**$ 428,999**	$ 442,695	$ 444,077

(iii) Equities and pooled equity funds:

The Board's investment in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The rates range from 0% to 12.47% on these investments (1999 - 0% to 11.29%).

The Board limits its investment concentration in any one investee or related group of investees to 10% of the investee's share capital.

(iv) Mortgages - principal outstanding:

	CARRYING AMOUNT	2000 EFFECTIVE INTEREST RATES	AVERAGE MATURITY (YEARS)	CARRYING AMOUNT	1999 EFFECTIVE INTEREST RATES	AVERAGE MATURITY (YEARS)
			(thousands of dollars)			
Commercial	**$3,243**	**10.23**	**13.7**	$3,382	7.23	12.5

All mortgages are fixed term and have effective interest rates of 6.94% to 11.07% (1999 - 6.56% to 7.87%). Stated rates range from 8.0% to 11.07% (1999 - 7.88% to 11.07%). Principal and interest is receivable on a monthly basis.

(v) Real Estate:

All of the Board's real estate holdings are in Canadian commercial property.

(b) Net investment income was derived from the following sources:

	2000	1999
	(thousands of dollars)	
Cash and short-term securities	$ 2,370	$ 2,529
Bonds and other fixed-term securities	34,694	21,487
Equities and pooled equity funds	67,513	72,471
Mortgages	338	283
Real estate	2,597	1,369
Other	94	126
Investment expenses	(1,973)	(2,059)
	$ 105,633	$ 96,206

4. Capital Assets:

	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE 2000	1999
		(thousands of dollars)		
Land	$ 1,375	$ -	$ 1,375	$ 1,375
Building	16,796	4,378	12,418	12,915
Office furnishings	2,786	1,700	1,086	1,017
Computer equipment	7,238	5,692	1,546	2,184
Rehabilitation equipment	1,049	1,049	0	139
Rehabilitation facility	12,994	3,846	9,148	9,473
Software development	16,624	14,616	2,008	2,020
	$ 58,862	$ 31,281	$ 27,581	$ 29,123

5. Accounts Payable:

	2000	1999
	(thousands of dollars)	
Premium refunds	$ 5,681	$ 6,021
Legislated obligation	4,120	4,600
Employee benefits liability	3,344	3,146
Occupational Health & Safety	5,404	5,224
Worker's Advocate	587	560
Prevention Services	617	614
Other payables	3,174	2,450
	$ 22,927	$ 22,615

Legislated Obligation

Effective March 11, 1999, the Special Payment (Dependent Spouses) Act provides that the Board shall pay $80,000, upon application, to each eligible person who, prior to September 1, 1985, was in receipt of compensation under the Act, but whose compensation was terminated by reason of re-marriage or entering into a new common-law relationship. Eligible individuals are required by this legislation to make an application within two years. The Board estimated $23,000,000 was payable under this legislation to eligible surviving spouses. Payments totaling $18,880,000 have been made to date to eligible surviving spouses since the passing of this legislation.

6. Rebates Payable

	2000	1999
	(thousands of dollars)	
Merit Rebates	**$ 12,276**	$ 13,843
Declared employer rebate	**36,000**	36,000
Surplus amortization	**16,606**	9,179
Surcharge penalty	**(3,444)**	(4,448)
Debt amortization	**(2,937)**	(5,194)
Net declared rebates	**$ 58,501**	$ 49,380

Declared Employer Rebate

In 2000 the Board decided to rebate $36,000,000 of its annual operating surplus. In 1999, the Board also decided to rebate a portion of its annual operating surplus.

Rebates will be paid to employers whose premium contributions exceed costs over the three year period ending December 31, 2000. It is anticipated that approximately 30,000 employers will qualify for this rebate.

Merit Rebate/Surcharge Penalty Programs

The Board annually provides awards or applies surcharges to encourage employers to enhance injury prevention and return-to-work activities for their workers. Merit rebates and surcharges are based on how much an employer's injury claims costs are above or below the industry levels.

Debt/Surplus Amortization Program

In conjunction with its implementing an actuarially based rate setting model in 1997, the Board undertook to make appropriate adjustments to the annual levy to account for the surpluses and deficits within individual industry codes that had accumulated prior to December 31, 1996. The intention of the debt/surplus amortization program is to account for those industry surpluses or deficits over a five year period.

7. Benefits Liabilities and Compensation Expense

Benefits liabilities represents a provision for actuarially determined future benefit payments relating to incurred claims which were discounted to a present value at a real interest rate of 4¼% to December 31, 2000 and 3½% thereafter. Estimates of future benefit payments refer to both reported and unreported claims which had arisen from work-related accidents that occurred on or before December 31, 2000.

The benefits liabilities were determined using accepted actuarial practices in accordance with the standards established by the Canadian Institute of Actuaries.

The actuarial present value of future benefit payments reflects management's long-term estimates of economic and actuarial assumptions and methods, which were based on past experience modified for current trends.

As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of future benefit payments. The following key long-term economic assumptions were used in the actuarial valuation of the benefits liabilities:

	2000	**1999**
Inflation		
– to December 31, 2000	**2¾%**	2¾%
– thereafter	**3½%**	3½%
Real future growth in gross wages	**1%**	1%
Real future increase in medical aid costs	**1½%**	1½%

The Board believes the amount provided for future payments of incurred claims to be adequate. Long-term economic and actuarial assumptions and methods are reviewed annually at December 31 of each year when independent actuarial valuations are performed. Adjustments, if any, resulting from the continuous review of entitlements, experience, or from changes in legislation, assumptions or methods, are recorded under compensation expense when such adjustments become known, together with the actuarial cost of claims for reported and unreported work-related accidents that occurred in the year.

Benefits Liabilities Continuance Schedule

	2000						1999
	Short Term Disability*	**Long Term Disability**	**Survivor Benefits**	**Medical Aid**	**Rehabilitation***	**Total**	**Total**
	(thousands of dollars)						
BALANCE, beginning of year	$ 78,150	$ 320,274	$ 80,551	$ 91,612	$ 21,495	$592,082	$575,823
ADD: Claim costs incurred:							
Current year injuries	48,639	17,872	5,027	36,983	8,146	116,667	101,026
Prior years' accident	5,015	6,723	5,907	7,410	3,908	28,963	41,094
	53,654	24,595	10,934	44,393	12,054	145,630	142,120
DEDUCT: Claim payment made:							
Current year injuries	23,001	109	367	13,805	2,004	39,288	32,802
Prior years' accident	26,061	32,155	9,403	23,575	7,306	98,500	93,059
	49,062	32,264	9,770	37,380	9,310	137,786	125,861
BALANCE, end of year	$ 82,742	$ 312,605	$ 81,715	$ 98,625	$ 24,239	$ 599,926	$ 592,082

*Note: The total Short Term Disability plus Rehabilitation benefits corresponds to the Board's Financial Statements, but this schedule follows the actuarial valuation and treats $5,645,000 of Short Term Disability payments as Rehabilitation payments.

The breakdown of compensation expense is as follows:

	2000	1999
	(thousands of dollars)	
Short term disability*	$ 69,056	$ 47,019
Long term disability	24,595	47,273
Survivor benefits	10,934	13,888
	$ 104,585	$ 108,180

*Note: $15,402 (1999 - $3,513) of Medical Aid and Rehabilitation claim costs incurred are included as Short Term Disability costs.

8. Reserves and Injury Fund:

	Reserves					
	Disaster & Occupational Disease	Second Injury & Re-employment	Economic Stabilization Reserve	Future Benefits Administration	Injury Fund	Total
		(thousands of dollars)				
BALANCE, beginning of year	$22,264	$ 5,566	$27,830	$48,239	$28,397	$132,296
ADD: Net surplus (deficit)	-	-	-	-	4,696	4,696
ADD (LESS): Appropriation to fund allocations to employers	7,973	4,484	-	-	(12,457)	-
Appropriation to (from) Reserves	506	127	633	1,096	(2,362)	-
ADD (LESS): Allocations to employers	(7,973)	(4,484)	-	-	12,457	-
	$ 22,770	$ 5,693	$ 28,463	$ 49,335	$ 30,731	$ 136,992

In accordance with the Act, the Board under its authority has established reserves to meet costs arising from any disaster or other circumstances the liability for which would unfairly burden employers. These reserves are appropriated to provide cost relief to employers on claims which meet the reserve criteria and to provide for future benefits administration, changes to legislated benefit levels, and protection against large fluctuations in the average premium rate.

9. Premiums:

	2000	1999
	(thousands of dollars)	
Premium revenue	**$ 147,958**	$ 154,733
Industry funds debt amortization	**2,937**	5,194
Industry funds surplus amortization	**(16,606)**	(9,179)
Merit rebates	**(12,276)**	(13,843)
Surcharge penalty	**3,444**	4,448
Government of Canada assessment	**1,992**	2,379
Industry Safety Associations	**(2,635)**	(2,233)
	$ 124,814	$ 141,499

The Board levies an additional premium on certain industry codes to collect funds which are in turn disbursed to the safety associations representing those industries. In 2000, funds were collected on behalf of and disbursed to the Saskatchewan Forest Industries Safety Association Inc., Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Prairie Implement Manufacturers Association, Saskatchewan Professional Drivers Safety Council Inc., Saskatchewan Association of Health Organizations, C6 Safety Association of Saskatchewan Inc. and Saskatchewan Meat Industry Safety Association.

10. Commitments:

The Board has commitments over the next five years for a base level of computer processing, building rental and equipment leasing, as follows:

(thousands of dollars)

2001	2002	2003	2004	2005
$ 2,697	$ 1,809	$ 1,502	$ 98	$ 86

The Board's agreement to lease computer processing capacity expired December 2000 and it is presently in negotiations to renew this contract. The amount of this commitment is not specifically determinable at this time and, as a result, is based on estimates arising from the negotiation process.

11. Employee Benefits:

The Board sponsors a defined benefit and a defined contribution pension arrangement covering substantially all employees. The Board uses actuarial reports prepared by independent actuaries for funding and accounting purposes. The 2000 benefit plan revenue is based on extrapolation of the results revealed in the accounting valuation of the pension plan as at December 31, 1999. The following significant actuarial assumptions were employed to determine the periodic pension expense and accrued benefit obligations:

	2000
Expected long-term rate of return on plan assets	**7.25%**
Discount rate	**6.78%**
Rate of compensation increase	**3.75 - 5.25%**
Average remaining service period	**10.65 years**
Inflation	**3.25%**

The Board's net benefit plan (revenue) expense is as follows:

	2000 *(thousands of dollars)*
Current service cost - defined benefit	**$ 247**
Current service cost - defined contribution	**824**
Interest cost	**1,391**
Expected return on plan assets	**(2,108)**
Amortization of net transitional asset	**(878)**
Net benefit plan (revenue) expense	**$ (524)**

Information about the Board's defined pension benefit plan is as follows:

	2000 *(thousands of dollars)*
Accrued benefit obligation	
Accrued benefit obligation, beginning of year	$ 21,800
Current service cost - employer share	247
Current service cost - employee share	153
Interest cost	1,391
Changes in assumptions	(1,275)
Benefits paid	(905)
Accrued benefit obligation, end of year	21,411
Plan assets	
Fair value of plan assets, beginning of year	29,456
Actual return on plan assets	3,003
Employer contributions	-
Employee contributions	153
Benefits paid	(905)
Fair value of plan assets, end of year	31,707
Plan surplus	10,296
Unamortized net actuarial gains	394
Unamortized net transitional asset	(8,476)
Net accrued benefit asset	$ 2,214

12. Related Party Transactions:

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Board by virtue of common influence by the Government of Saskatchewan.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

Category *(as per financial statements)*:

	2000	1999
	(thousands of dollars)	
Accounts Receivable - Premiums	$ 56	$ 252
Investments	6,273	4,513
Accounts Payable	6,752	6,424
Revenue - Premiums	31,459	28,213
Revenue - Investment Income	278	583
Expenses	7,823	7,496

Payments in 2000 for compensation, medical aid and vocational rehabilitation to claimants employed by related parties totalled $16,179,000 in 2000 (1999 - $18,708,000).

In addition, the Board pays Saskatchewan Education and Health Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

13. Fair Value of Financial Assets and Liabilities:

The following method and assumptions were used to estimate the fair value of each class of financial assets and liabilities:

i) For the following financial assets the fair values are considered to approximate quoted market values on recognized stock exchanges, based on the latest bid or transaction prices:
   a) bonds and debentures
   b) equities
   c) pooled equity funds

ii) Mortgages: The fair value is calculated by discounting scheduled cash flows through to the estimated maturity of the mortgage using current interest rates.

iii) Real estate: The fair value is determined by independent individual property appraisals.

iv) The carrying value of cash, short-term investments, accounts receivable, accrued interest, accounts payable and rebates payable approximate their fair value due to the relatively short periods to maturity of the instruments.

v) It is not practical to determine the fair value of the benefits liabilities or the annuity fund payable due to their long-term nature. The Board does not intend to settle these liabilities in the near term and there is no ready market to determine their fair value.

14. Comparative Figures:

Certain comparative figures have been changed to conform to the current year's presentation.

Schedule 1 – Administration Expenses

Year ended December 31, 2000

	2000	1999
	(thousands of dollars)	
Salaries	**$ 17,645**	$ 16,355
Computer processing	**5,276**	5,580
Amortization of capital assets	**4,825**	4,806
Employee benefits	**2,219**	2,833
Consulting services	**2,149**	2,858
Building operations	**1,013**	1,139
Communications and postage	**1,018**	1,007
Printing, stationery and office supplies	**1,581**	1,508
Travel and automobile expenses	**991**	861
Professional services	**892**	747
Miscellaneous	**833**	718
Office rental	**274**	230
Office machines and equipment	**150**	88
	38,866	38,730
Less:		
Expenses charged to Government of Canada	**594**	766
Assessment penalties	**600**	800
Adjudication fees	**159**	148
	$ 37,513	$ 37,016

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Board of Governors, Uranium City Hospital as at March 31, 2001 and the statements of operations and changes in fund balances, and cash flow for the year then ended. The Hospital's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board of Governors, Uranium City Hospital as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 22, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
STATEMENT OF FINANCIAL POSITION
As at March 31

	Operating Fund	Capital Fund	Total 2001	Total 2000
ASSETS				
Current Assets				
Cash	$ 335,458	$ -	$ 335,458	$ 41,556
Accounts Receivable				
Saskatchewan Health				
- General Revenue Fund	-	20,000	20,000	-
Patient Services and Recoveries	58,420	-	58,420	33,678
Inventory (Note 3 and Note 12)	73,539	-	73,539	62,498
Prepaid Expenses	19,631	-	19,631	20,890
	487,048	20,000	507,048	158,622
Capital Assets (Note 4)	-	45,815	45,815	54,660
	$ 487,048	$ 65,815	$ 552,863	$ 213,282
LIABILITIES				
Current Liabilities				
Bank Overdraft	$ -	$ -	$ -	$ 18,592
Advance Payable (Note 5)	85,000	-	85,000	85,000
Accounts Payable	83,516	-	83,516	98,357
Accrued Salaries and Vacation Pay	68,144	-	68,144	38,100
	236,660	-	236,660	240,049
EQUITY				
Fund Balances				
Investment in Capital Assets	-	45,815	45,815	54,660
Externally Restricted (Note 2 (a)(ii))	-	20,000	20,000	-
Unrestricted	250,388	-	250,388	(81,427)
Fund Balances: Statement 2 (Note 12)	250,388	65,815	316,203	(26,767)
	$ 487,048	$ 65,815	$ 552,863	$ 213,282

(see accompanying notes to the financial statements)

Statement 2

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
For the Year Ended March 31

	2001				2000
	Operating Fund Budget (Note 10)	Operating Fund	Capital Fund	Total	Total
Revenues:					
Saskatchewan Health - General Revenue Fund	$ 1,470,552	$ 1,649,142	$ 20,000	$ 1,669,142	$ 1,654,371
Income and recoveries	39,908	37,483	-	37,483	30,759
Interest income	-	13,001	-	13,001	590
Ancillary operations	26,100	25,600	-	25,600	24,201
	1,536,560	1,725,226	20,000	1,745,226	1,709,921
Expenses:					
Administration	248,584	217,826	8,845	226,671	285,332
Housekeeping and laundry	58,809	55,731	-	55,731	59,769
Maintenance	178,383	207,034	-	207,034	187,761
Medical records	22,482	59,191	-	59,191	62,393
Dietary	107,041	86,756	-	86,756	103,589
Acute care (Note 8)	560,864	543,452	-	543,452	674,122
Laboratory and x-ray	123,086	142,040	-	142,040	115,871
Ancillary operations	64,444	81,381	-	81,381	80,098
Athabasca Health Facility (Note 9)	-	-	-	-	36,698
	1,363,693	1,393,411	8,845	1,402,256	1,605,633
Excess of revenues over expenses	$ 172,867	331,815	11,155	342,970	104,288
Fund balances, beginning of year		(81,427)	54,660	(26,767)	(148,755)
Prior period adjustment (Note 12)		-	-	-	17,700
Fund balances, end of year		$ 250,388	$ 65,815	$ 316,203	$ (26,767)

(see accompanying notes to the financial statements)

Statement 3

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	Operating Fund		Capital Fund	
	2001	2000	2001	2000
Cash provided by (used in):				
Operating Activities				
Excess (deficiency) of revenue over expenses	$ 331,815	$ 113,133	$ 11,155	$ (8,845)
Prior period adjustment (Note12)	-	17,700	-	-
Non-cash expense - amortization of capital assets	-	-	8,845	8,845
Net change in non-cash working capital (Note 14)	(19,321)	(9,977)	(20,000)	-
	312,494	120,856	-	-
Financing and Investing Activities				
Purchase of capital assets	-	-	-	(16,597)
Net increase (decrease) in cash	312,494	120,856	-	(16,597)
Interfund transfers	-	(16,597)	-	16,597
Cash, beginning of year	22,964	(81,295)	-	-
Cash, end of year	$ 335,458	$ 22,964	$ -	$ -
Cash is comprised of:				
Cash	335,458	41,556	-	-
Bank Overdraft	-	(18,592)	-	-
	$ 335,458	$ 22,964	$ -	$ -

(see accompanying notes to the financial statements)

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority

The Board of Governors, Uranium City Hospital was established June 15, 1995 by Order in Council #508/95 under *The Public Health Act* to operate the Uranium City Hospital.

The Minster of Municipal Government held the net assets and operated the Hospital on behalf of the Northern Settlement of Uranium City prior to establishment of the Board. By Order dated April 25, 1996, under Section 120 (1) of *The Northern Municipalities Act*, the Minister transferred the net assets to the Board effective June 5, 1995 for no monetary consideration.

As of August 8, 1999 inpatient services at the Uranium City Hospital were suspended due to staff shortages. During 2000 inpatient services were resumed on a limited basis.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles. Significant accounting policies are summarized as follows:

a) Fund Accounting

The accounts of the Board are maintained in accordance with the principles of restricted fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

i Operating fund

The operating fund reflects the primary operations of the Board including revenues received for provision of health services from Saskatchewan Health - General Revenue Fund, and billings to patients, clients, and other agencies for patient and client services. Other revenue consists of recoveries and ancillary operations. Expenses are for the delivery of health services.

ii Capital Fund

The capital fund is a restricted fund that reflects the equity of the Board in capital assets. The capital fund includes revenues received from Saskatchewan Health - General Revenue Fund designated for the acquisition of capital assets. Expenses consist of amortization of capital assets.

b) Inventories

Inventory consists of medical and surgical supplies, pharmacy, fuel oil and other general supplies.

Inventories are valued at the lower of cost and net realizable value, with cost determined by the first-in first-out (FIFO) method.

c) Capital Assets

Capital assets are recorded at cost. Cost is amortized over the useful life of the assets.

Amortization has been taken on the straight-line basis at the rate of 10% - 20% on equipment. The building is amortized on a straight line basis over its useful life.

d) Revenue

Contributions, including operating and capital funding from Saskatchewan Health - General Revenue Fund, are included in revenue in the year in which they are received or receivable.

e) Pensions

The Board expenses all contributions it is required to make to the multi-employer defined benefit pension plan in the year. The Board follows defined contribution plan accounting for its participation in the plan.

3. Inventory

	2001	2000
Pharmacy	$ 26,745	$ 25,334
Fuel Oil	19,820	17,700
General Supplies	14,658	11,855
Medical and Surgical Supplies	12,316	7,609
	$ 73,539	$ 62,498

4. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
Land	$ 4,295	$ -	$ 4,295	$ 4,295
Building	1,444,979	1,444,979	-	-
Equipment	480,387	438,867	41,520	50,365
	$ 1,929,661	$ 1,883,846	$ 45,815	$ 54,660

5. Advance Payable

The advances received from Saskatchewan Health - General Revenue Fund are interest free and repayable at the discretion of Saskatchewan Health. Saskatchewan Health requested the Hospital to pay this amount to the Athabasca Health Authority (AHA). The $85,000 was paid to AHA in September 2001. Therefore, the fair value of the advance approximates its carrying value.

6. Related Party Transactions

Included in these financial statements are transactions with related parties. These related parties include various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Board by virtue of common control by the Government of Saskatchewan and non-crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan.

Routine operating transactions with related parties are settled at standard rates charged by the organizations under normal trade terms. These transactions and amounts outstanding at year-end are included in the financial statements and the table below:

	2001	2000
Accounts Receivable	$ 30,076	$ -
Prepaid expenses	-	6,068
Accounts payable and accrued liabilities	43,360	50,068
Expenses	61,133	70,754

In addition, the Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

7. Pensions

Employees of the Board participate in the retirement plan of the Saskatchewan Association of Health Organizations (a related party) which is a multi-employer defined benefit pension plan. The Board's financial obligation to the plan is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $10,370 (2000 - $17,948).

8. Acute Care

Acute care expenses includes nursing and support services. However, they do not include salaries paid to doctors. Doctors are paid by Saskatchewan Health - Northern Medical Services and the expense is not reflected in these financial statements.

9. Athabasca Health Facility Project

The Board entered into an agreement with Saskatchewan Health on March 31, 1997. The agreement calls for Saskatchewan Health to provide funding to the Board for the purpose of administering the following agreements pertaining to the Athabasca Health Facility Project:

1. the Project Management Agreement between the Board and Cascade and Associates; and
2. the client/architect Agreement CCDC-6 between the Board and MANASC Architects Ltd.

During the prior year, the project was completed and the Board of the Uranium City Hospital extinguished its responsibility for it. The AHA facility is now the responsibility of Saskatchewan Health. The unspent funds totaling $41,556 have been set up as a payable to the Board of the Athabasca Health Authority.

10. Budget

The operating budget was approved by the Board.

11. Financial Instruments

a) Significant Terms and Conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows. Significant terms and conditions for the other financial instruments are disclosed separately in these financial statements.

b) Credit Risk

The Board is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the Board's receivables are with many customers, therefore credit risk is minimal.

c) Fair Value

The carrying amount of these financial instruments approximates fair value due to their immediate or short-term nature.

cash
accounts receivable
advance payable
accounts payable
accrued salaries and vacation pay

12. Prior Period Adjustment

The adjustment to the prior year figures consists of fuel oil inventories not previously recognized as an asset. Instead this amount was included in maintenance expense. This amount should have been set up as an asset. Therefore in the current period, the prior year has been adjusted. The net effect of the adjustment is to increase inventories by $17,700 and to increase the fund balances at the beginning of the prior year. The financial statements of prior periods have been restated to reflect this change.

13. Comparative Figures

Certain of the 2000 comparative figures have been reclassified to conform with the current year's presentation.

14. Net Change in Non-Cash Working Capital

	Operating Fund		Capital Fund	
	2001	2000	2001	2000
(Increase) decrease in accounts receivable	$ (24,742)	$ 37,547	$ (20,000)	$ -
(Increase) decrease in inventories	(11,041)	7,468	-	-
Decrease (increase) in prepaid expenses	1,259	(13,006)	-	-
Increase (decrease) in accounts payable	15,203	(41,986)	-	-
	$ (19,321)	$ (9,977)	$ (20,000)	$ -

Schedule 1

BOARD OF GOVERNORS, URANIUM CITY HOSPITAL
SCHEDULE OF EXPENSES BY OBJECT
For the year ended March 31

	2001	2000
Salaries and other benefits	$ 770,619	$ 901,745
Medical, surgical, drugs and other patient supplies	63,078	91,713
Utilities	130,170	121,947
Repairs and maintenance	27,230	10,296
Dietetic/ food supplies	13,180	23,919
Amortization expense	8,845	8,845
Staff education and travel	107,298	107,309
Other		
- Board expenses	44,751	60,054
- Administrative	155,580	160,547
- Laundry and linen	145	3,109
- Housekeeping	2,326	367
- Ancillary operations	79,034	79,084
Athabasca Health Facility Project	-	36,698
	$ 1,402,256	$ 1,605,633

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Health Services Utilization and Research Commission as at March 31, 2001 and the statements of revenue, expenses and changes in fund balance and cash flows for the year then ended. The Commission's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Health Services Utilization and Research Commission as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wendel

Regina, Saskatchewan
July 11, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

HEALTH SERVICES UTILIZATION AND RESEARCH COMMISSION
BALANCE SHEET
As at March 31

	2001					2000
	Operating Fund	Regionalization Research Centre (Note 9)	SPHERU (Note 10)	Regional Partnership Program (Note 11)	Total	Total
ASSETS						
Current assets:						
Cash	$ 219,568	$ 150	$ —	$ —	$ 219,718	$ 115,169
Accrued interest receivable	4,641	—	—	—	4,641	14,349
Accounts receivable	16,786	1,488	—	—	18,274	56,219
Short-term investments (Note 2(e) and 3)	690,688	90,465	450,000	250,000	1,481,153	2,896,688
Prepaid expenses	1,038	—			1,038	3,620
	932,721	92,103	450,000	250,000	1,724,824	3,086,045
Long-term investments (Note 2(e) and 3)	4,047,811	—	826,859	300,186	5,174,856	4,112,070
Capital assets (Note 2(c) and 5)	70,570	9,757	—	—	80,327	101,509
Total assets	$5,051,102	$ 101,860	$ 1,276,859	$ 550,186	$ 6,980,007	$ 7,299,624
LIABILITIES & FUND BALANCE						
Liabilities:						
Accounts payable	$ 13,589	$ 4,829	$ —	$ —	$ 18,418	$ 44,366
Payroll liabilities	561	—	—	—	561	—
Grants payable	412,442	—	—	—	412,442	725,201
Total liabilities	426,592	4,829	—	—	431,421	769,567
Fund balances:						
Externally restricted	—	97,031	276,859	350,186	724,076	1,088,937
Internally restricted	4,322	—	1,000,000	200,000	1,204,322	863,050
Unrestricted	4,620,188	—	—	—	4,620,188	4,578,070
Fund balances (Statement 2)	4,624,510	97,031	1,276,859	550,186	6,548,586	6,530,057
Commitments (Note 12)						
Total liabilities & fund balance	$5,051,102	$ 101,860	$ 1,276,859	$ 550,186	$ 6,980,007	$ 7,299,624

(See accompanying notes to the financial statements)

Statement 2

HEALTH SERVICES UTILIZATION AND RESEARCH COMMISSION
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE
Year Ended March 31

	2001						2000
	Operating Fund		Regionalization Research Centre	SPHERU	Regional Partnership Program	Total	Total
	Budget	Actual					
	(Note 8)		(Note 9)	(Note 10)	(Note 11)		
Revenue:							
Saskatchewan Health							
General Revenue Fund	$ 2,308,000	$ 2,308,000	$ —	$ 250,000	$ 400,000	$ 2,958,000	$ 2,958,000
SK Economic Co-operative Development	—	—	—	—	250,000	250,000	250,000
Federal Government							
Canadian Institute of Health Research	39,140	39,140	—	—	—	39,140	65,192
Health Transition Fund	—	7,953	—	—	—	7,953	43,460
HealNet Research Project	—	—	239,852	—	—	239,852	122,037
CHSRF(Note 9(b))	—	—	15,750	—	—	15,750	18,000
Recoveries	120,000	15,751	—	—	—	15,751	14,114
Interest	325,000	393,479	—	25,000	—	418,479	384,550
Gain on disposal of capital assets	—	25	—	—	—	25	—
Miscellaneous	—	645	1,000	—	—	1,645	16,608
Total revenue	2,792,140	2,764,993	256,602	275,000	650,000	3,946,595	3,871,961
Expenses:							
Student grants	—	—	29,300	—	—	29,300	8,925
Research grants	1,550,000	1,328,828	—	537,000	773,832	2,639,660	1,576,547
Wages and benefits	850,877	801,578	150,188	—	—	951,766	903,662
Administrative and operating expenses	282,687	171,586	46,510	—	—	218,096	246,861
Honoraria and expenses of the board and committees	51,168	25,328	—	—	—	25,328	30,478
Amortization expense	—	27,808	6,521	—	—	34,329	35,393
Rent	28,328	26,475	3,112	—	—	29,587	31,180
Loss on disposal of capital assets	—	—	—	—	—	—	3,621
Total expenses	2,763,060	2,381,603	235,631	537,000	773,832	3,928,066	2,836,667
Excess (deficiency) of revenue over expenses	$ 29,080	383,390	20,971	(262,000)	(123,832)	18,529	1,035,294
Fund balance, beginning of year		4,591,120	76,060	1,288,859	574,018	6,530,057	5,494,763
Transfer between funds (Note 10 and 11)		(350,000)	—	250,000	100,000	—	—
Fund balance, end of year (Statement 1)		$ 4,624,510	$ 97,031	$ 1,276,859	$ 550,186	$ 6,548,586	$ 6,530,057

(See accompanying notes to the financial statements)

Statement 3

HEALTH SERVICES UTILIZATION AND RESEARCH COMMISSION
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	Operating Fund	Regionalization Research Centre (Note 9)	SPHERU (Note 10)	Regional Partnership Program (Note 11)	Total 2001	Total 2000
Cash provided by (used in):						
Operating activities:						
Excess (deficiency) of revenue over expenses (Statement 2)	$ 383,390	$ 20,971	$ (262,000)	$ (123,832)	$ 18,529	$1,035,294
Non-cash items:						
Amortization expense	27,808	6,521	—	—	34,329	35,393
(Gain) loss on disposal of capital assets	(25)	—	—	—	(25)	3,621
Net Changes in non-cash working capital (Note 4)	(298,199)	10,288	—	—	(287,911)	368,823
	112,974	37,780	(262,000)	(123,832)	(235,078)	1,443,131
Investment activities:						
Decrease (increase) in short-term investments	285,213	(32,555)	838,859	324,018	1,415,535	(662,218)
Decrease (increase) in long-term investments	64,259	—	(826,859)	(300,186)	(1,062,786)	(880,279)
Purchases of capital assets	(7,922)	(5,225)	—	—	(13,147)	(27,707)
Proceeds from disposal of capital assets	25	—	—	—	25	—
	341,575	(37,780)	12,000	23,832	339,627	(1,570,204)
Net increase (decrease) in cash	454,549	—	(250,000)	(100,000)	104,549	(127,073)
Cash, beginning of year	115,019	150	—	—	115,169	242,242
Transfers between funds (Note 10 and 11)	(350,000)	—	250,000	100,000	—	—
Cash, end of year	$ 219,568	$ 150	$ —	$ —	$ 219,718	$ 115,169

(See accompanying notes to the financial statements)

HEALTH SERVICES UTILIZATION AND RESEARCH COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Establishment of the Commission

Order in Council 165/92 established the Health Services Utilization and Research Commission (HSURC) as a Crown corporation on February 20, 1992. The Commission has been continued pursuant to *The Health Services Utilization and Research Commission Act*. The Commission reviews, analyzes and makes recommendations as to the most effective utilization of health services in Saskatchewan and provides research funding.

2. Accounting Policies

The Health Services Utilization and Research Commission maintains its accounts using Canadian generally accepted accounting principles including the following significant accounting policies:

a) Fund Accounting

The accounts of the Commission are maintained in accordance with the principles of restricted fund accounting for contributions. For financial reporting purposes, accounts with similar characteristics have been combined into the following funds:

i) Operating Fund

The operating fund reflects the primary operations of the Board including Saskatchewan Health - General Revenue Fund revenues received to provide research funding to various researchers and to conduct in-house utilization research. Other revenue consists of Federal Government grants not restricted to HEALNet Research Project, recoveries, interest and miscellaneous revenue. Expenses consist of the research grants awarded, cost of in-house utilization research and administrative costs.

ii) Restricted Fund – Regionalization Research Centre

The Regionalization Research Centre Fund reflects revenue received from the Networks of Centres of Excellence Program (Federal Government) and the Canadian Health Services Research Foundation (CHSRF). Expenses consist of costs of in-house and contract research staff and administrative costs. This fund was previously referred to as the HEALNet Research Project Fund.

iii) Restricted Fund – Saskatchewan Population Health and Evaluation Research Unit (SPHERU).

The SPHERU Fund reflects transfers from the Health Services Utilization and Research Commission, and revenue from Saskatchewan Health – General Revenue Fund for the Unit. Expenses consist of research grants.

iv) Restricted Fund – Saskatchewan – Canadian Institute of Health Research Regional Partnership Program (RPP).

The RPP Fund reflects transfers from the Health Services Utilization and Research Commission, and revenue from Saskatchewan Health – General Revenue Fund & Saskatchewan Economic Co-operative Development. Expenses consist of research grants.

b) Research Grants

Annual Competitions

The Health Services Utilization and Research Commission holds annual competitions through which funds are awarded to successful applicants for terms of up to two years. The Commission expenses the approved funds for each year of the grant, provided recipients meet eligibility criteria. Awarded amounts not paid or payable at year-end are recorded as commitments in the notes to the financial statements.

The balance of funds advanced to administering institutions in excess of the current requirements of researchers is held in trust by those institutions until drawn down by the researchers. Funds not spent during the life of a successfully completed research grant are treated as a recovery in the year that this is determined. These funds are then available to be awarded for future research.

c) Capital Assets

Capital assets are recorded at cost. Normal maintenance and repairs are expensed as incurred. Capital assets are amortized on a straight-line basis over their estimated useful lives (3 to 10 years).

d) Revenue

Unrestricted contributions are recognized as revenue in the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

e) Investments

Investments are valued at the lower of amortized cost or net realizable value.

3. Investments

	2001		2000	
	Carrying Value	Effective Rate	Carrying Value	Effective Rate
Short-term investments	$ 1,481,153		$ 2,896,688	
Long-term investments:				
Province of Saskatchewan Strip Bond, matures in 19 months	288,810	6.0 %	273,404	6.0%
Government of Canada Strip Bonds, mature in 1-3 years	672,611	5.7 - 5.8%	514,115	5.3%
Farm Credit Corporation Bond, matures in 2 years	318,113	5.9%	513,391	5.5%
CIBC Strip Bond, matures in 2 years	639,605	6.3%	603,483	6.3%
Province of Quebec Bond, matures in 2 years	416,840	6.0%	—	—
Province of British Columbia Strip Bonds, mature in 3-4 years	1,355,809	6.1 - 6.5%	1,275,844	6.1% - 6.5%
Province of Ontario Bonds, mature in 3-5 years	1,138,325	6.0 - 6.6%	603,633	6.6%
Ontario Hydro Bond, matures in 4 years	244,743	6.0%	—	—
Province of Saskatchewan Savings Bond, matures in 4 years	100,000	5.8%	328,200	5.0%
	5,174,856		4,112,070	
	$ 6,656,009		$ 7,008,758	

4. Changes in Components of Non-Cash Working Capital

	Operating Fund	Regionalization Research Centre	Total 2001	Total 2000
Decrease (increase) in accrued interest receivable	$ 9,708	$ —	$ 9,708	$ (3,568)
Decrease in accounts receivable	26,778	11,167	37,945	52,209
Decrease in prepaid expenses	2,582	—	2,582	14,966
(Decrease) increase in accounts payable	(25,069)	(879)	(25,948)	14,461
Increase (decrease) in payroll liabilities	561	—	561	(11,242)
(Decrease) increase in grants payable	(312,759)	—	(312,759)	308,663
Decrease in deferred revenue	—	—	—	(6,666)
Net changes in non-cash working capital	$ (298,199)	$ 10,288	$(287,911)	$ 368,823

5. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture & Equipment	$ 252,926	$ 172,599	$ 80,327	$ 101,509

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Commission by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms. These transactions, and amounts outstanding at year-end are as follows:

	2001	2000
Research grant, administrative and occupancy expenses:		
Regina District Health Board	$ 50,594	$ 31,047
University of Regina	350,764	107,631
University of Saskatchewan	2,275,467	1,466,243
Saskatoon District Health Board	48,978	65,922
Moose Jaw-Thunder Creek Health District	---	---
Saskatchewan Health	8,601	115
Prince Albert Health District	---	1,700
Capital Pension Plan - employee benefits	40,193	37,876

	2001	2000
Accounts payable	13,264	31,864
Grants payable	412,442	725,201

The Commission pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to or from them are described separately in these financial statements and the notes thereto.

7. Financial Instruments

The Commission has the following financial instruments: accrued interest receivable, accounts receivable, investments, accounts payable, and grants payable. The following paragraphs disclose the significant aspects of these financial instruments.

a) Significant terms and conditions

There are no significant terms and conditions associated with the financial instruments, other than investments, that may affect the amount, timing, and certainty of future cash flows. Significant terms and conditions for investments are described separately in these financial statements and the notes thereto.

b) Interest rate risk

The Commission is exposed to interest rate risk when the value of its financial instruments fluctuate due to changes in market interest rates.

The Commission's receivables and payables are non-interest bearing. Due to the short-term nature of these, as well as cash and short-term investments, interest rate risk is minimal.

As market interest rates fluctuate the market value of long-term investments moves in the opposite direction. This risk will affect the price the Commission could sell the investments for prior to maturity.

c) Credit risk

The Commission is exposed to credit risk from potential non-payment of accounts receivable or investment income and principal.

Most of the Commission's receivables are from provincial and federal governments, therefore the credit risk is minimal.

The Commission's investments consist of provincial and federal government bonds, promissory notes, treasury bills and bankers acceptances with large Canadian banks. Therefore, credit risk for investments and related accrued interest receivable is minimal.

d) Fair Value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Accrued interest receivable
Accounts receivable
Short-term investments
Accounts payable
Payroll liabilities
Grants payable

The fair value of long-term investments is $ 5,239,780 (2000 - $4,112,070). The fair value is considered to approximate quoted market values.

8. Budget

These amounts represent the operating budget approved by the Board on June 13, 2000.

9. Regionalization Research Centre

a) Networks of Centres of Excellence Program (NCE) - HEALNet Research Project

Current agreement: July 1, 1999 to June 30, 2002

The Commission received an allocation of $261,795 for use in the 2000/2001 year. In addition, the Commission was allowed to retain a portion of the unused funding from previous years and returned $21,943 to the NCE, resulting in revenue of $239,852.

The Commission spent $229,096 during the 2000/2001 year.

b) Canadian Health Services Research Foundation (CHSRF)

In 1999/2000, the Commission received for the Regionalization Research Centre, a grant from the Canadian Health Services Research Foundation. The two-year grant is $20,000, for the period November 1, 1999 to October 31, 2001. In 2000/2001, $6,535 was spent. To date, $18,000 has been received and $10,920 spent.

In 2000/2001, the Commission received for the Regionalization Research Centre, an additional grant from the Canadian Health Services Research Foundation. The grant is $15,750 and is for the Centre's involvement in a study administered through McMaster University. No funds were spent in 2000/2001.

10. Saskatchewan Population Health Evaluation and Research Unit (SPHERU)

On July 9, 1999, the Saskatchewan Population Health and Evaluation Research Unit, Inc. (SPHERU) was incorporated as a separate entity under *The Non-Profit Corporations Act, 1995.* This corporation focuses on enhancing health and social planning, evaluating health system changes, improving health information use for planning and evaluation and health policy development.

The corporation is funded by Saskatchewan Health and HSURC which provided $250,000 each during the year. HSURC administers the funds for the corporation and distributed $537,000 to SPHERU, Inc. during the year. Unused funding is retained for use in the 2001/2002 year.

11. Saskatchewan – Canadian Institute of Health Research Regional Partnership Program

The program was set up in 1999/2000 to provide funding support for Saskatchewan researchers and research projects. During the year, the program received funding from Saskatchewan Health, Saskatchewan Economic and Co-operative Development and HSURC, which provided $400,000, $250,000 and $100,000 respectively. HSURC agreed to manage the funds for the program, in a signed agreement with Saskatchewan Economic and Co-operative Development.

12. Commitments

At March 31, 2001, the Commission had the following commitments:

a) Research Grants
The Board has approved research grants for payment in 2001/2002 of $921,952, in 2002/2003 of $314,438, and in 2003/2004 of $24,500.

b) SPHERU
Under a memorandum of understanding, signed October 31, 1999, HSURC will pay SPHERU $250,000 per year and interest up to $25,000 per year until the year 2006/2007.

c) RPP
As per a May 1999 agreement between Saskatchewan Health, Saskatchewan Economic and Co-operative Development and CHSRF (formerly the Medical

Research Council of Canada), HSURC will contribute $100,000 per year until the year 2003/2004.

13. Pension Plan

HSURC is a participating employer in the Capital Pension Plan, a defined contribution pension plan. Eligible employees make monthly contributions of 5.5% of gross salary, which are matched by HSURC. During the year, the Commission's total contributions were $40,193 (2000 - $37,876).

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Cancer Foundation as at March 31, 2001 and the statements of operations and changes in fund balances, and cash flows for the year then ended. The Foundation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 9, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

SASKATCHEWAN CANCER FOUNDATION
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001						2000
	Operating Funds		Restricted Funds				
	Operating Fund	Division of Prevention & Early Detection	Capital Fund	Research Fund	Trust Fund	Total	Total
ASSETS							
Current assets:							
Cash and short-term investments (Schedule 2)	$ 704,134	$ 844,050	$ 3,638,636	$ 155,849	$ 734,341	$ 6,077,010	$ 5,483,622
Accounts receivable:							
Saskatchewan Health -General Revenue Fund	225,560	---	3,085,000	---	---	3,310,560	---
Other and accrued interest	168,900	35,531	11,239	156,202	27,802	399,674	498,134
Prepaid expenses	98,446	---	899,999	7,901	95	1,006,441	91,039
Due (to) from other funds	464,651	(573,564)	108,242	(23,819)	24,490	---	---
	1,661,691	306,017	7,743,116	296,133	786,728	10,793,685	6,072,795
Investments (Schedule 2) (Market $10,830,030; 2000 - $11,375,341)	7,248,010	1,979,980	489,650	---	1,024,500	10,742,140	11,638,460
Capital assets (Note 3)	---	---	21,478,079	---	---	21,478,079	20,530,747
	$ 8,909,701	$ 2,285,997	$ 29,710,845	$ 296,133	$ 1,811,228	$ 43,013,904	$ 38,242,002
LIABILITIES AND FUND BALANCES							
Current Liabilities:							
Accounts payable:							
Trade	$ 2,487,060	$ 151,527	$ 386,145	$ 1,112	$ 3,583	3,029,427	$ 2,507,841
Vacation	460,361	4,581	---	---	---	464,942	452,988
Deferred revenue	486,950	---	---	---	---	486,950	839,936
	3,434,371	156,108	386,145	1,112	3,583	3,981,319	3,800,765
Fund Balances:							
Invested in capital assets	---	---	21,478,079	---	---	21,478,079	20,530,747
Other capital fund net assets	---	---	7,846,621	---	---	7,846,621	4,765,306
Externally restricted, statement 2	---	---	---	295,021	1,807,645	2,102,666	1,458,316
Unrestricted, statement 2	5,475,330	2,129,889	---	---	---	7,605,219	7,686,868
	5,475,330	2,129,889	29,324,700	295,021	1,807,645	39,032,585	34,441,237
	$ 8,909,701	$ 2,285,997	$ 29,710,845	$ 296,133	$ 1,811,228	$ 43,013,904	$ 38,242,002

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN CANCER FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
Year ended March 31

	Operating Funds				Restricted Funds				
	Operating Fund	Division of Prevention & Early Detection	Total 2001	Total 2000	Capital Fund	Research Fund	Trust Fund	Total 2001	Total 2000
Revenues:									
Saskatchewan Health									
- General Revenue Fund	$ 32,929,495	$ 2,074,025	$ 35,003,520	$ 32,097,128	$ 6,085,000	$ 345,000	$ —	$ 6,430,000	$ 1,851,314
Grants	—	—	—	—	—	355,073	—	355,073	325,478
Donations and bequests	—	—	—	—	—	—	687,812	687,812	306,682
Other income	831,482	63,706	895,188	920,236	17,833	171,514	—	189,347	334,633
	33,760,977	2,137,731	35,898,708	33,017,364	6,102,833	871,587	687,812	7,662,232	2,818,107
Expenses:									
Divisions and general administration									
Salaries and employee benefits	19,018,662	1,250,354	20,269,016	18,116,925	—	—	—	—	—
Drugs and medical supplies	9,920,339	—	9,920,339	8,182,217	—	—	—	—	—
Purchased services	1,644,033	—	1,644,033	1,530,522	—	—	—	—	—
Other operating expenditures	3,651,209	836,703	4,487,912	4,022,757	—	—	171,838	171,838	56,155
Research grants (Schedule 1)	—	—	—	—	—	1,007,950	—	1,007,950	959,157
Trust fund grants	—	—	—	—	—	—	2,016	2,016	48,045
	34,234,243	2,087,057	36,321,300	31,852,421	—	1,007,950	173,854	1,181,804	1,063,357
	(473,266)	50,674	(422,592)	1,164,943	6,102,833	(136,363)	513,958	6,480,428	1,754,750
Investment income	643,610	119,651	763,261	797,851	201,797	17,127	89,640	308,564	188,318
	170,344	170,325	340,669	1,962,794	6,304,630	(119,236)	603,598	6,788,992	1,943,068
Less amortization expense	—	—	—	—	2,538,313	—	—	2,538,313	2,421,692
Excess (deficiency) of revenues over expenses	170,344	170,325	340,669	1,962,794	3,766,317	(119,236)	603,598	4,250,679	(478,624)
Fund balances, beginning of year	5,694,477	1,992,391	7,686,868	7,830,108	25,296,053	149,883	1,308,433	26,754,369	25,126,959
Interfund transfers (Note 10)	(389,491)	(32,827)	(422,318)	(2,106,034)	262,330	264,374	(104,386)	422,318	2,106,034
Fund balances, end of year	$ 5,475,330	$ 2,129,889	$ 7,605,219	$ 7,686,868	$ 29,324,700	$ 295,021	$ 1,807,645	$ 31,427,366	$ 26,754,369

(See accompanying notes to the financial statements)

Statement 3

SASKATCHEWAN CANCER FOUNDATION
STATEMENT OF CASH FLOWS
Year Ended March 31

	2001	2000
Cash resources provided by (used in):		
OPERATING ACTIVITIES:		
Excess (deficiency) of revenues over expenses (Statement 2):		
Operating fund	$ 170,344	$ 1,861,634
Division of Prevention & Early Detection	170,325	101,160
Research fund	(119,236)	55,459
Trust fund	603,598	286,524
	825,031	2,304,777
Net change in non-cash working capital (Note 4)	(3,946,948)	171,424
Net cash (used in) provided by operating activities	(3,121,917)	2,476,201
INVESTMENT ACTIVITIES:		
Net acquisition of capital assets	(3,485,645)	(730,819)
Net acquisition of investments	896,320	(2,019,850)
FINANCING ACTIVITIES:		
Payment from General Revenue Fund for capital assets	6,085,000	1,506,314
Other capital fund activities	219,630	94,771
Net change in cash resources during the year	593,388	1,326,617
Cash and short-term investments, beginning of year	5,483,622	4,157,005
Cash and short-term investments, end of year	$ 6,077,010	$ 5,483,622

(See accompanying notes to the financial statements)

SASKATCHEWAN CANCER FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Legal Status of the Saskatchewan Cancer Foundation

The Foundation was created under provisions of *The Cancer Foundation Act* and commenced operations on August 1, 1979. The Foundation conducts a program for the treatment and prevention of cancer.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant policies:

a) Fund accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funding groups:

Unrestricted Funds

i) Operating Fund

The Operating Fund reflects the operations of the Allan Blair Cancer Centre, the Saskatoon Cancer Centre, and their respective patient lodges. Also included are research, public education, and communication activities.

The Cancer Centres provide diagnostic services, treatment services in radiotherapy and chemotherapy, and follow-up services. They serve as the focal points for the co-ordination of a comprehensive and multi-disciplinary approach to all aspects of care and treatment for cancer patients. The patient lodges provide housing for rural patients who are undergoing treatment at the Cancer Centres.

Research activities include basic and epidemiological research. Basic research attempts to understand, at the cellular and molecular level, the underlying differences between normal and cancerous cells. Epidemiological research involves studying the distribution and determinants of various cancers in specific populations and the application of these studies to cancer control.

Public education and communications through written, oral, and visual media are integral components of a diverse cancer care program.

ii) Prevention & Early Detection

Prevention and early detection programs in this fund are aimed at minimizing the impact of cancer through prevention and control. The Screening Program for Breast Cancer has responsibility for screening mammography for women ages 50-69 years of age in the Province.

Restricted Funds

iii) Capital Fund

The Capital Fund reflects the equity of the Foundation in capital assets. The Capital Fund includes revenues received from the Department of Health - General Revenue Fund. Expenses are primarily amortization of capital assets.

iv) Research Fund

The Department of Health - General Revenue Fund has provided funding to enable the Foundation to support a number of research projects. The Department of Health has attached the following guidelines to the funds:

a) Expenditure of these funds is at the discretion of the Foundation. The Foundation will assume responsibility for research costs in excess of the amount funded.

b) Research funds, including investment income on the funds, should be kept separate from other funds of the Foundation.

Activities of the fund include clinical trials research which is a scientific method for testing new or combinations of existing treatment modalities against the current standard of treatment for that specific cancer.

v) Trust Fund

The Trust Fund accepts donations for contributions designated by the contributors to be used for such purposes as cancer research, equipment and library books. The Foundation maintains a record of the funds contributed and spent for each of the designated purposes until such funds are fully utilized.

b) Revenue

Unrestricted contributions are recognized as revenue in the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable.

c) Investments

Investments are valued at the lower of cost or net realizable value.

d) Capital Assets

Capital assets are recorded at cost. Normal maintenance and repairs are expensed as incurred. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	20 years
Leasehold Alterations	10 - 20 years
Equipment	5 - 10 years

3. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land & Improvements	$ 280,297	$ —	$ 280,297	$ 280,297
Buildings	18,236,378	12,304,010	5,932,368	6,841,396
Leasehold Alterations	10,060,733	2,896,781	7,163,952	7,638,342
Equipment & Furniture	23,740,046	15,738,081	8,001,965	5,770,712
Work in Progress	99,497	—	99,497	—
	$ 52,416,951	$ 30,938,872	$ 21,478,079	$ 20,530,747

4. Net Change in Non-Cash Working Capital Balances Related to Operations

	2001	2000
(Increase) decrease in accounts receivable	$ (3,212,100)	$ 100,607
(Increase) decrease in prepaid expenses	(915,402)	38,652
Increase (decrease) in trade accounts payable	521,586	(65,579)
Increase in vacation accrual	11,954	77,423
Increase (decrease) in deferred revenue	(352,986)	20,321
Net change in non-cash working capital balances related to operations	$ (3,946,948)	$ 171,424

5. Pension Plan

The Foundation participates in The Public Employees' Pension Plan (a related party) which is a defined contribution pension plan for the benefit of its employees. The Province of Saskatchewan is responsible for the plan. The Foundation's financial obligation to the plan is limited to making required payments to match the amount contributed by the employees for current services. The Foundation follows defined contribution plan accounting for its participation in the plan. Accordingly, the Foundation expenses all contributions it is required to make in the year. Pension expense for the year amounted to $725,439 (2000 - $669,591) and is included in benefits.

6. Commitments

The Foundation is committed under term leases for office space at the following minimum amounts over the next five years (exclusive of proportionate increases and additional occupancy costs):

2002	$ 153,119
2003	92,647
2004	22,273
2005	---
2006	---

The Foundation has a $3.3 million commitment to complete the purchase and installation of radiation therapy equipment at the Allan Blair Cancer Centre and Saskatoon Cancer Centre during the next fiscal year.

7. Cancer Patient Lodges

The Canadian Cancer Society, Saskatchewan Division, has donated two cancer patient lodges in the Province to the Foundation. Under the terms of an agreement with the Society, the Foundation has assumed responsibility for the operations of these lodges. Title to the properties will remain with the Foundation so long as they are operated as cancer patient lodges.

8. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Foundation by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Drugs and purchased hospital services acquired from related parties are recorded at exchange amounts agreed to by the related parties. These transactions and amounts outstanding at year end are as follows:

	2001	2000
Expenses	$ 14,900,464	$ 12,013,368
Accounts payable	1,643,236	1,994,924

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year end are as follows:

	2001	2000
Expenses	$ 1,817,632	$ 1,577,718
Accounts payable	123,235	108,633

In addition, the Foundation pays Saskatchewan Education and Health Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The Regina Clinic is leased from the Regina District Health Board for $1 per year, including a portion of occupancy costs. The Saskatoon Clinic building owned by the Foundation is situated on land not owned by the Foundation. The Foundation is not charged for the use of this land.

Other amounts and transactions with related parties and the terms of settlement are described separately in these financial statements and notes thereto.

9. Financial Instruments

a) Significant terms and conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows.

b) Interest rate risk

The Foundation is exposed to the following interest rate risk when the value of its financial instruments fluctuate due to changes in market interest rates:

- The interest rate risk for the Foundation's receivables and payables is minimal because they are non-interest bearing and of a short-term nature.

- As market interest rates fluctuate, the market value of long-term investments moves in the opposite direction. This risk will affect the selling price of investments if they are sold prior to maturity. Due to the size and nature of the Foundation's investment portfolio and its future cash flow needs, the Foundation is able to manage the timing of investment disposals in a manner that minimizes the interest rate risk.

c) Credit risk

The Foundation is exposed to credit risk from potential non-payment of accounts receivable or investment income and principle. The credit risk for the Foundation's receivables is minimal because they are mostly from the Department of Health – General Revenue Fund or other government organizations. The credit risk for the Foundation's investments and related accrued interest receivable is minimal because investments consist of provincial government bonds and debentures, corporate bonds, and guaranteed investment certificates with large Canadian banks.

d) Fair value

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- The carrying value of the following financial instruments approximate fair value due to their immediate or short-term nature:

  Cash and short-term investments
  Accounts receivable
  Accounts payable

- For investments, the fair value is considered to approximate quoted market values.

10. Interfund Transfers

Interfund transfers consist of funds transferred from the Operating, Division of Prevention and Early Detection, Research, and Trust Funds to the Capital Fund to finance the purchase of capital assets and funds transferred from the Operating Fund to the Research Fund for research activities.

11. Budgets

Schedule 3 compares actual expenditures to Board approved budgeted expenditures for the year ended March 31, 2001.

Schedule 1

SASKATCHEWAN CANCER FOUNDATION RESEARCH FUND
SCHEDULE OF RESEARCH GRANTS
Year Ended March 31

	2001	2000
Participation in North Central Cancer Treatment Group	$ 548,618	$ 460,906
Participation in Children's Cancer Group	223,648	215,088
Radiation Therapy Oncology Group	41,429	35,580
Cell Surface Characteristics of Metastatic Cells in Human Tumors, Saskatoon	85,375	71,192
Molecular basis of B72.3 Combining Sites and Synthesis, Saskatoon	81,048	53,027
Cranial Irradiation Revisited, Saskatoon	10,550	12,161
Impact of Treatment of Prognostic Variable on Differentiated Thyroid Cancer, Regina	7,835	---
Radiation Treatment Planning for Lung Cancer, Regina	4,453	---
Prostate Cancer Before and During the PSA era, Saskatoon	12,792	---
Research Director Fund, Saskatoon	---	415
Identification of p85 SH2 Binding Proteins, Saskatoon	---	14,319
C-Src and Colon Cancer, Saskatoon	---	17,284
Genomic Instability	---	10,593
Prostate Patient Immobilization	---	1,423
Role of A-Raf-1	---	68,368
Total	1,015,748	960,356
Less capital expenditures	(7,798)	(1,199)
	$ 1,007,950	$ 959,157

Schedule 2

SASKATCHEWAN CANCER FOUNDATION
SCHEDULE OF INVESTMENTS
Year Ended March 31, 2001

	Carrying Value	Maturity Date	Effective Rate
Cash and short-term investments:			
Cash:			
Royal Bank of Canada	$ 4,798,852	---	4.85%
Short-term investments:			
Investors Dividend Fund	21,802	---	---
Canadian Western Bank GIC	956,356	07/11/01	4.66%
Province of Saskatchewan Savings Bond	300,000	07/15/01	5.50%
	1,278,158		
	6,077,010		
Long-term investments:			
Province of Saskatchewan Savings Bond	100,000	07/15/05	5.75%
Province of Ontario Bond	1,995,200	09/12/07	6.25%
Bell Canada Bond	299,700	01/18/08	6.37%
Province of Saskatchewan Savings Bond	497,000	05/28/08	5.58%
Province of Manitoba Bond	995,000	06/02/08	5.90%
Province of Saskatchewan Savings Bond	489,650	06/02/08	5.88%
Royal Bank of Canada Bond	993,860	06/11/09	5.24%
TD Capital Trust Securities	350,000	12/31/09	7.75%
Province of Nova Scotia Bond	993,900	09/01/10	6.59%
TD Bank Debenture	998,780	07/31/12	6.67%
Bank of Nova Scotia Bond	1,018,500	07/22/13	5.54%
Bank of Nova Scotia Bond	489,250	05/12/14	6.13%
Province of New Brunswick Bond	496,800	12/27/17	6.06%
Province of Newfoundland Debentures	1,024,500	04/17/28	5.97%
	10,742,140		
Total cash and investments	$ 16,819,150		

(See accompanying notes to the financial statements)

Schedule 3

SASKATCHEWAN CANCER FOUNDATION
COMPARISON OF BUDGET TO ACTUAL
Year Ended March 31, 2001

	Operating Fund		Division of Prevention & Early Detection	
	Actual	Budget	Actual	Budget
Revenues:				
Saskatchewan Health				
- General Revenue Fund	$ 32,929,495	$ 31,203,935	$ 2,074,025	$ 2,074,025
Other income	831,482	915,267	63,706	50,000
	33,760,977	32,119,202	2,137,731	2,124,025
Expenses:				
Salaries & employee benefits	19,018,662	19,954,291	1,250,354	1,389,598
Drugs and medical supplies	9,920,339	8,408,800	---	---
Purchased services	1,644,033	1,568,000	---	---
Other operating expenditures	3,651,209	3,393,303	836,703	854,427
	34,234,243	33,324,394	2,087,057	2,244,025
	(473,266)	(1,205,192)	50,674	(120,000)
Investment income	643,610	550,000	119,651	120,000
Excess (deficiency) of revenues over expenses	$ 170,344	$ (655,192)	$ 170,325	$ ---

(See accompanying notes to the financial statements)

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Health Information Network (the Corporation) as at March 31, 2001 and the statements of operations and accumulated surplus (deficit), cash flows and tangible capital assets for the year then ended. The Corporation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Corporation received grants from General Revenue Fund for the purposes of developing the Saskatchewan Health Information Network. The Corporation recorded these grants as revenue in the year they were received. However, grants received for the purposes of acquiring tangible capital assets should be recorded as revenue when the related tangible capital assets are acquired. Any grants received in advance should be recorded as deferred revenue. Had the Corporation properly recorded these grants, revenue would have increased and the deficit would have decreased by $1,404,000 (2000 – $2,357,000).

In my opinion, except for the effects of the failure to properly record grants as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 31, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1 - Statement of Financial Position

As of March 31, 2001

(thousands of dollars)

	2001	2000
FINANCIAL ASSETS:		
Due from General Revenue Fund (Note 3)	$ 1,952	$ 1,364
Accounts Receivable		
Saskatchewan Health	---	2,205
Other	686	42
Note Receivable - SaskTel (Note 5)	27	---
Prepaid Expenses	67	---
Long Term Note Receivable - SaskTel (Note 5)	62	---
Total Financial Assets	2,794	3,611
LIABILITIES		
Accounts payable and accrued liabilities	994	1,661
Payable to Saskatchewan Opportunities Corporation	97	---
Current Portion of Obligations Under Capital Leases (Note 8)	36	---
Current Portion of Obligations Under Capital Leases with SaskTel (Notes 5 and 6)	73	---
Obligations Under Capital Leases (Note 8)	96	---
Obligations Under Capital Leases with SaskTel (Notes 5 and 6)	283	---
Total Liabilities	1,579	1,661
ACCUMULATED SURPLUS (STATEMENT 2)	$ 1,215	$ 1,950
Accumulated Surplus represented by:		
Accumulated Operating Results	16,910	17,395
Less Tangible capital assets (Statement 4)	(15,695)	(15,445)
	$ 1,215	$ 1,950

(See accompanying notes to financial statements)

Statement 2 - Statement of Operations and Accumulated Surplus

For the year ended March 31, 2001

(thousands of dollars)

	2001 Budget	2001 Actual	2000 Actual (Note 9)
REVENUE			
Grants from Saskatchewan Health	$ 5,400	$ 5,400	$ 9,600
Interest and other revenue	—	982	565
Total Revenues	5,400	6,382	10,165
EXPENSES			
Salaries and Benefits	462	416	434
Board Expenses	49	28	28
Purchased Services	555	587	2,886
Ongoing Operations	2,400	2,620	2,391
Amortization	3,500	2,714	2,033
Accommodation Expense	250	195	231
Miscellaneous Expenses	179	307	92
Total Expenses	7,395	6,867	8,095
Operating Results	$ (1,995)	(485)	2,070
Net Increase in tangible capital assets (Statement 4)		(250)	(2,951)
DEFICIT FOR THE YEAR		(735)	(881)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		1,950	2,831
ACCUMULATED SURPLUS, END OF YEAR		$ 1,215	$ 1,950

(See accompanying notes to financial statements)

Statement 3 - Statement of Cash Flows

For the Year ended March 31, 2001

	(thousands of dollars)	
	2001	**2000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year	$ (735)	$ (881)
Changes in non-cash working capital balances:		
Decrease (Increase) in accounts receivable	1,405	(2,132)
Decrease in accounts payable and accrued liabilities	(82)	(410)
Increase (Decrease) in cash for the year	588	(3,423)
Due from General Revenue Fund, beginning of the year	1,364	4,787
Due from General Revenue Fund, end of the year	$ 1,952	$ 1,364

(See accompanying notes to financial statements)

Statement 4 - Statement of Tangible Capital Assets

As of March 31, 2001

(thousands of dollars)

	2001							2000
	Desktop Computer Hardware	Computer Network Hardware	Desktop Computer Software	Licensed or Multiple Application Software	Office Furniture and Equipment	System Development Costs	Total	Total
Opening Cost	$ 324	$ 3,630	$ 383	$ 5,214	$ 3	$ 7,930	$ 17,484	$ 12,499
Additions During the Year	---	233	3	1,139	---	1,103	2,478	4,984
Disposals	---	(230)	---	---	---	---	(230)	---
Closing Cost	324	3,633	386	6,353	3	9,033	19,732	17,483
Opening Accumulated Amortization	113	453	115	---	1	1,356	2,038	5
Annual Amortization	108	779	129	---	---	1,625	2,641	2,033
Disposals	---	(24)	---	---	---	---	(24)	---
Closing Accumulated Amortization	221	1,208	244	---	1	2,981	4,655	2,038
Subtotal	103	2,425	142	6,353	2	6,052	15,077	15,445
Leased Capital Assets								
Opening Cost	---	---	---	---	---	---	---	---
Additions	25	410	---	---	257	---	692	---
Disposals	---	---	---	---	---	---	---	---
Closing Cost	25	410	---	---	257	---	692	---
Opening Accumulated Amortization								
Annual Amortization	2	---	---	---	72	---	74	---
Disposals	---	---	---	---	---	---	---	---
Closing Amortization	2	---	---	---	72	---	74	---
Subtotal of Leased Capital Assets	23	410	---	---	185	---	618	---
Net Book Value of Tangible Capital Assets	$ 126	$ 2,835	$ 142	$ 6,353	$ 187	$ 6,052	$ 15,695	$ 15,445

SASKATCHEWAN HEALTH INFORMATION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2001

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1. Description of Business

The Saskatchewan Health Information Network (SHIN) was established as a Treasury Board Crown Corporation by Order in Council 581/1997 under the provisions of *The Crown Corporations Act, 1993* (Act) effective August 19, 1997.

SHIN was created to design, implement, own, operate, and manage a Saskatchewan Health Information Network. SHIN's purpose is to foster the development of the health information technology sector, to foster re-engineering of health delivery processes and to protect health information as a strategic resource.

2. Significant Accounting Policies

These financial statements are prepared using accounting principles appropriate for the public sector and reflect the following significant accounting principles.

a) The Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue

Contributions from Saskatchewan Health - General Revenue Fund or other sources are included in revenue when received or receivable.

c) Expenses

Expenses represent the cost of resources consumed during the year for operations. Expenses include provision for the amortization of tangible capital assets.

d) Tangible Capital Assets

Tangible capital assets are recorded at cost and are amortized over their useful life. Amortization is recorded, commencing with the quarter after the assets are placed into service, on a straight-line basis over their estimated useful lives as follows:

Desktop Computer Hardware	3 years
Computer Software	3 years
Network Hardware, Software & System Development Costs	5 years
Office Equipment	5 years
Office Furniture	10 years

The Licensed or Multiple Application Software is not yet placed in service and therefore no amortization is recorded.

e) Net increase in tangible capital assets

The net increase in tangible capital assets represents adjustments required to report the surplus (deficit) for the year on an expenditure basis.

3. Due from the General Revenue Fund

SHIN's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Corporation's bank account using the Government's thirty day borrowing rate and SHIN's average daily account balance.

4 Commitments

At March 31, 2001, SHIN had, by agreement, the following commitments:

Agreement with SAIC:

On March 11, 1998, SHIN entered into a service agreement pursuant to Order in Council 161/1998 with the Science Applications International Corporation Canada (SAIC) to implement the Saskatchewan Health Information Network. The Agreement allows for SHIN to commit to specific pieces of work. As at March 31, 2001, $453,000 (2000 - $1.1 million) is committed under this agreement.

Maintenance Agreement for software:

Effective March 31, 2001 SHIN signed an agreement with Momentum Healthware. Under the terms of the agreement Momentum will provide maintenance for software used by long-term care facilities. The amount committed is $80,000.

5. Agreement with SaskTel:

On July 31, 2000, SHIN entered into a five year Master Service Agreement (MSA) with SaskTel to provide Data Centre Services. Under this agreement SaskTel houses and operates SHIN's Data Centre equipment. The committed costs related to Data Centre Services are $16,940 per month.

The equipment in the data centre is purchased by SaskTel and leased to SHIN. SHIN has recorded these as capital leases in its financial statements.

Upon inception of the lease, SaskTel purchased existing data centre equipment from SHIN and entered into a sales-lease-back arrangement. The net book value of the equipment transferred was $133,000. SaskTel is reducing the amount of SHIN's lease by $2212 over 60 months to reflect the purchase of this equipment from SHIN. This has been included in the financial statements as a receivable from SaskTel.

The following leases for computer equipment are in effect, which expire concurrent with the MSA on July 31, 2005:

A 54 month lease with monthly payments of $2179
A 56 month lease with monthly payments of $2236
A 55 month lease with monthly payments of $1174
A 60 month lease with monthly payments of $2212

Minimum annual payments under leases on property and equipment over the next 5 years are as follows:

2002	$93,600
2003	$93,600
2004	$93,600
2005	$93,600
2006	$23,400
Total Minimum Lease Payments	$397,800
Less Amount Representing Interest: (at 9.5% interest)	$41,800
Balance of the Obligation	$356,000

6. Related Parties

These financial statements include transactions with related parties. SHIN is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, SHIN pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

7. Financial Instruments

SHIN's financial instruments include due from the General Revenue Fund, accounts receivable, long-term note receivable, and accounts payable. The carrying amount of these instruments approximates fair value due. These instruments have no interest or credit risk.

8. Lease Arrangements

SHIN has several leases on property and equipment. The minimum annual lease payments for capital leases over the next four years, and the operating lease over the next year are as follows:

Capital leases:

2002	$ 47,160
2003	$ 47,160
2004	$ 41,100
2005	$ 19,800
Total Minimum Lease Payments	$155,220
Less Amount Representing Interest: (rates vary between 7.8% and 11%)	$23,400
Balance of the Obligation	$131,820

Operating leases:

2002	$164,265

9. Comparative Information

Certain 1999-2000 balances have been re-classified to conform with the current year's presentation.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the St. Louis Alcoholism Rehabilitation Centre Inc. as at March 31, 2001 and the statements of operations, cash flows, and changes in net assets for the year then ended. The Centre's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the St. Louis Alcoholism Rehabilitation Centre Inc. as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 15, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

ST. LOUIS ALCOHOLISM REHABILITATION CENTRE INC.

Statement of Financial Position

March 31, 2001, with comparative figures for 2000

	2001	2000
Assets		
Current assets:		
Cash	$ 11,152	$ 4,736
Restricted cash	20,000	20,000
Accounts receivable	2,682	2,524
Inventory, at cost	7,591	13,581
	41,425	40,841
Capital assets (note 6)	77,992	63,348
	$ 119,417	$ 104,189
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 6,072	$ 4,182
Due to Saskatchewan Health	554	554
	6,626	4,736
Net Assets (note 5)		
Equity in capital assets	77,992	63,348
Net assets externally restricted	20,000	20,000
Unrestricted net assets	14,799	16,105
	112,791	99,453
	$ 119,417	$ 104,189

Commitments (note 3)

See accompanying notes to financial statements.

On behalf of the Board:

________________________ Director

________________________ Director

ST. LOUIS ALCOHOLISM REHABILITATION CENTRE INC.

Statement of Operations

Year ended March 31, 2001, with comparative figures for 2000

	Budget 2001	Actual 2001	Actual 2000
Revenue:			
Saskatchewan Health grant	$ 700,744	$ 700,744	$ 687,898
Miscellaneous income	-	6,317	6,494
Interest	-	840	394
	700,744	707,901	694,786
Expenses:			
Salaries and employee benefits	520,607	506,869	503,209
Food	52,000	51,039	39,906
Utilities	39,500	42,112	37,615
Rent	30,000	30,000	30,000
Building maintenance	8,500	12,786	11,342
Amortization of capital assets	-	10,360	10,174
Contractual services	11,000	9,182	7,561
Miscellaneous	6,350	6,976	8,608
Printing, postage and office supplies	9,500	5,499	4,816
Insurance	4,583	4,583	4,468
Furniture and equipment rental	-	4,041	4,719
Staff training and travel	6,000	3,823	3,018
Board honoraria and expenses	6,070	3,687	3,378
Vehicle expenses	5,697	3,184	5,435
Loss on disposal of capital assets	-	422	323
Professional services	937	-	1,948
	700,744	694,563	676,520
Excess of revenue over expenses	$ -	$ 13,338	$ 18,266

See accompanying notes to financial statements.

ST. LOUIS ALCOHOLISM REHABILITATION CENTRE INC.

Statement of Changes in Net Assets

Year ended March 31, 2001, with comparative figures for 2000

	Invested in Capital Assets 2001	Restricted for Equipment & Furnishing Reserve 2001	Unrestricted 2001	Total 2001	Total 2000
Balance, beginning of year	$ 63,348	$ 20,000	$ 16,105	$ 99,453	$ 81,187
Excess (deficiency) of revenue over expenses	(10,782)	-	24,120	13,338	18,266
Investment in capital assets	25,426	-	(25,426)	-	-
Balance, end of year	$ 77,992	$ 20,000	$ 14,799	$ 112,791	$ 99,453

See accompanying notes to financial statements.

ST. LOUIS ALCOHOLISM REHABILITATION CENTRE INC.

Statement of Cash Flows

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Cash flows from (used in):		
Operations:		
Excess of revenue over expenses	$ 13,338	$ 18,266
Items not involving cash:		
Amortization of capital assets	10,360	10,174
Loss on disposal of capital assets	422	323
Change in non-cash operating working capital:		
Accounts receivable	(158)	693
Inventory, at cost	5,990	(5,408)
Prepaid expenses	-	2,766
Accounts payable and accrued liabilities	1,890	(2,244)
Due to Saskatchewan Health	-	554
	31,842	25,124
Investments:		
Purchase of capital assets	(25,426)	(50,816)
Proceeds on disposal of capital assets	-	1,900
	(25,426)	(48,916)
Increase (decrease) in cash position	6,416	(23,792)
Cash position, beginning of year	24,736	48,528
Cash position, end of year	$ 31,152	$ 24,736
Cash	$ 11,152	$ 4,736
Restricted cash	20,000	20,000
Total cash	$ 31,152	$ 24,736

See accompanying notes to financial statements.

ST. LOUIS ALCOHOLISM REHABILITATION CENTRE INC.

Notes to Financial Statements

Year ended March 31, 2001

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1. Authority:

Pursuant to Section 85 of The Public Health Act, a board of governors was established on February 1, 1979 to operate an alcoholism rehabilitation hospital to be known as the St. Louis Alcoholism Rehabilitation Centre (the Centre). The Centre commenced operations on October 1, 1979. The Centre was incorporated and registered under The Non-Profit Corporations Act, 1995 on July 29, 1999.

2. Significant accounting policies:

(a) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

(b) Capital assets:

Capital assets are recorded at cost. Normal maintenance and repairs are expensed as incurred. Capital assets are amortized on a straight-line basis over their estimated useful lives (5 to 20 years). Assets costing less than $200 are expensed in the current year.

(c) Revenue:

Revenue includes contributions from the General Revenue Fund - Saskatchewan Health. Amounts are included in revenue in the year in which they are received or receivable.

3. Commitments:

Operating Lease

The Centre's land and buildings have been leased for a period of three years to March 31, 2004 at a cost of $24,000 per year.

ST. LOUIS ALCOHOLISM REHABILITATION CENTRE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2001

4. Other activities:

The Centre's canteen provides miscellaneous items to staff and clients. It is operated by staff of the Centre on a volunteer basis and does not form part of the Centre's operations. Canteen profits and any client donations received are used to purchase recreation equipment for the use of clients.

The Centre also holds funds in safekeeping for clients during their stay at the Centre. These funds are kept at the Centre and do not earn interest.

The above activities are not reflected in these financial statements.

5. Net assets:

a) Unrestricted net assets:

This represents advances received from Saskatchewan Health (a related party) and is reduced by: amounts required to pay expenses and amounts recovered by Saskatchewan Health as set out by the Health Reserve Policy and Financial Reporting Guide.

b) Externally restricted for equipment and furnishing reserve:

The Health Reserve Policy and Financial Reporting guide allows the Centre to annually retain a surplus from operations to a maximum of $20,000 provided the amounts are transferred to the Equipment and Furnishing Reserve. The maximum of $20,000 may be exceeded with approval from Saskatchewan Health.

6. Capital assets:

	Cost 2001	Accumulated amortization 2001	Net book value 2001	Net book value 2000
Furniture and equipment	$ 121,611	$ 65,982	$ 55,629	$ 63,348
Leasehold improvements	22,363	-	22,363	-
	$ 143,974	$ 65,982	$ 77,992	$ 63,348

ST. LOUIS ALCOHOLISM REHABILITATION CENTRE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2001

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7. Fair value:

Cash, restricted cash, accounts receivable and accounts payable are all short-term in nature and as such their carrying value approximates fair value.

8. Related party transactions:

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Centre by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

The Centre's related party transactions are in the normal course of operations. These transactions are recorded at exchange amounts agreed to by the related parties.

9. Pension plan:

The Centre participates in the Public Employees Pension Plan which is a defined contribution plan. The Centre's financial obligation to the Plan is limited to making regular payments to match the amounts contributed by employees for current service. The Centre's pension expense for 2001 amounts to $19,447 (2000 - $20,210) and is included in salaries and employee benefits.

10. Budget:

These amounts represent the budget approved by the Centre's Board of Governors.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Commercial Revolving Fund as at March 31, 2001 and the statements of operations and accumulated operating surplus/deficit, and financing activities and accumulated net (recovery)/expenditure for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 28, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

COMMERCIAL REVOLVING FUND
BALANCE SHEET
As at March 31

	2001	2000
ASSETS		
Current Assets:		
Accounts receivable (Note 9)	$ 286,322	$ 287,266
Inventories	177,672	157,135
	463,994	444,401
Capital assets (Note 5)	987,699	966,144
	$ 1,451,693	$ 1,410,545
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable (Note 9)	$ 709,852	$ 1,006,606
Non-current liabilities:		
Accumulated net expenditure (Statement 3 and Note 9)	632,309	397,680
Fund equity:		
Accumulated operating surplus/(deficit) (Statement 2)	109,532	6,259
	$ 1,451,693	$ 1,410,545

(See accompanying notes)

Statement 2

COMMERCIAL REVOLVING FUND
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS/DEFICIT
For the Year Ended March 31

	2001		2000
	Budget (Note 8)	Actual	Actual
Revenues:			
Campground	$ 3,346,000	$ 3,550,072	$ 3,427,837
Park entry	1,711,000	1,766,526	1,420,021
Cottage lots/permits	1,530,000	1,515,537	1,511,711
Surface leases	407,000	542,478	543,388
Commercial leases	598,000	452,783	445,466
Other revenue	385,000	369,939	355,856
Accommodation	228,000	289,272	276,651
Hay & grazing fees	201,000	155,587	147,738
Swimming pool fees	159,000	147,784	140,373
	$ 8,565,000	$ 8,789,978	$ 8,269,041
Expenses:			
Wages	$ 8,700,000	$ 8,813,414	$ 8,651,721
Material, supplies & freight	1,200,000	1,200,250	1,394,737
Vehicle rentals	670,000	739,165	664,170
Repairs & maintenance	850,000	737,384	645,328
Utilities	800,000	682,000	640,406
Other expenses	316,000	489,499	393,164
Postage & communications	278,000	330,266	267,802
Amortization	240,000	278,517	221,376
Equipment rental	210,000	210,613	193,522
Publicity & advertising	235,000	201,397	184,277
Travel & sustenance	200,000	193,200	203,112
	13,699,000	13,875,705	13,459,615
Loss from operations	(5,134,000)	(5,085,727)	(5,190,574)
Subsidy from General Revenue Fund	5,134,000	5,189,000	4,847,000
Net income/(loss)	$ 0	$ 103,273	$ (343,574)
Accumulated operating surplus/(deficit), beginning of year		6,259	841,833
Transfers to The General Revenue Fund (Note 4)		-	(492,000)
Accumulated operating surplus/(deficit), end of year - to Statement 1		$ 109,532	$ 6,259

(See accompanying notes)

Statement 3

COMMERCIAL REVOLVING FUND
STATEMENT OF FINANCING ACTIVITIES AND ACCUMULATED NET EXPENDITURE/(RECOVERY)
For the Year Ended March 31

	2001	2000
Financing (provided by)/required for operating activities:		
Net (income)/loss	$ (103,273)	$ 343,574
Items not affecting working capital		
- amortization	(278,517)	(221,376)
- gain/(loss) on disposal of capital assets	6,967	(5,244)
Net increase/(decease) in working capital items related to operations (Note 6)	316,347	(442,444)
Net financing provided by operating activities	(58,476)	(325,490)
Financing (provided by)/required for investing activities:		
Purchase of capital assets	$ 302,157	$ 439,061
Proceeds from sale of capital assets	(9,052)	(5,634)
Net financing required for investing activities	293,105	433,427
Financing activities:		
Payment to the General Revenue Fund	-	492,000
Net increase in financing requirement	$ 234,629	$ 599,937
Accumulated net expenditure/(recovery), beginning of year	397,680	(202,257)
Accumulated net expenditure, end of year - to Statement 1	$ 632,309	$ 397,680

(See accompanying notes)

COMMERCIAL REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition of Reporting Entity

The Revolving Fund operates under the authority of Section 18 of *The Natural Resources Act*. The purpose of the Revolving Fund is to conduct commercial activities required for the promotion, development and management of provincial parks.

2. Significant Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Financing Activities and Accumulated Net (Recovery)/Expenditure and Note 6. The following accounting policies are considered significant.

a. Net (Recovery)/Expenditure

The net (recovery)/expenditure is the cash flow from/(to) the General Revenue Fund. It represents the total annual financing requirements resulting from net capital acquisitions, working capital changes and net cash flows from operations.

b. Accumulated Net (Recovery)/Expenditure

The accumulated net (recovery)/expenditure of the Revolving Fund includes the following:

i. the net (recovery)/expenditure for each fiscal year; and

ii. the book value of assets acquired at no charge from another government agency

c. Inventories

Inventories are valued at the lower of average cost and net realizable value.

d. Capital Assets

Amortization is calculated on the straight line basis. Annual rates are from 5% to 33% for equipment and 10% for furnishings.

3. Authorized Financing

Section 18(10) of *The Natural Resources Act* specifies that the maximum accumulated net expenditure which may be outstanding at any time will be set by order of the Lieutenant Governor in Council. A maximum amount of $4,000,000 was established by Order in Council 516/94.

4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 18(4) of *The Natural Resources Act*, the Minister shall pay to the General Revenue Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Revolving Fund shall be $350,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus/deficit exceeds the maximum, then any surplus/deficit in excess of the maximum shall, as soon as possible after the close of the fiscal year, be paid to/from the General Revenue Fund.

However, if any deficit is in fact a subsidy and not a deficit due to business fluctuations, it must be recovered from the General Revenue Fund (Department of Environment and Resource Management's appropriation) in the same year. The Department budgets for a subsidy to the Revolving Fund in the same year that the deficit is expected to occur.

5. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	$ 6,402,354	$ 5,463,524	$ 938,830	$ 927,401
Furniture and fixtures	365,590	316,721	48,869	38,743
Total Capital Assets	$ 6,767,944	$ 5,780,245	$ 987,699	$ 966,144

6. Net Change in Working Capital Items Related to Operations

	2001	2000
(Decrease)/increase in accounts receivable	$ (944)	$ 44,515
Increase/(decrease) in inventories	20,537	22,970
Decrease/(increase) in accounts payable	296,754	(523,195)
Decrease/(increase) in Unearned revenue	0	13,266
	$ 316,347	$ (442,444)

7. Related Party Transactions.

These financial statements include transactions with related parties. The Revolving Fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the

Revolving Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are settled on normal trade terms. These transactions, and amounts outstanding at year end, are as follows.

Category	2001	2000
Expenses	$ 1,587,429	$ 1,560,802
Accounts payable	50,130	13,922

In addition, the Revolving Fund pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

The Department of Environment and Resource Management is responsible for the acquisition of provincial park land. Therefore, park land is not reflected in these financial statements. However, in accordance with *The Natural Resources Act* the Revolving Fund is credited with all rents and fees with respect to park land.

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by the various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

8. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

9. Financial Instruments

The Revolving Fund's financial instruments include accounts receivable and accounts payable. Due to their immediate or short-term maturity, the fair value of these instruments approximates their carrying value.

The fair value of the accumulated net expenditures has not been provided because it is not practicable to determine the fair value with sufficient reliability.

The Revolving Fund is exposed to minimal credit risk from the potential non-payment of accounts receivable. Most receivables were received subsequent to year end.

10. Amount Reported in Public Accounts

The net recovery/(expenditure) of the Revolving Fund reported in Public Accounts is the net income/(loss) of the Revolving Fund adjusted for the following differences in accounting policies and other adjustments between the Revolving Fund and the General Revenue Fund:

	2001	2000
Net income/(loss)	$ 103,273	$ (343,574)
(Increase) in inventory	(20,537)	(22,970)
Payment to General Revenue Fund	-	(492,000)
(Increase) in net capital assets	(21,555)	(206,807)
Net recovery/(expenditure) reported in Public Accounts	$ 61,181	$ (1,065,351)

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Correctional Facilities Industries Revolving Fund as at March 31, 2001 and the statements of operations and accumulated operating deficit and changes in accumulated net expenditure for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wendel

Regina, Saskatchewan
June 26, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

CORRECTIONAL FACILITIES INDUSTRIES REVOLVING FUND
BALANCE SHEET
AS AT MARCH 31

	2001	2000
ASSETS		
Current assets:		
Accounts receivable	$ 431,503	$ 175,254
Inventory	182,983	192,329
	614,486	367,583
Capital assets (Note 5)	84,054	102,027
	$ 698,540	$ 469,610
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	$ 152,235	$ 41,053
Non-Current liabilities:		
Accumulated net expenditure (Statement 3)	637,041	502,273
Fund equity:		
Accumulated operating deficit (Statement 2)	(90,736)	(73,716)
	$ 698,540	$ 469,610

(See accompanying notes to the financial statements)

Statement 2

CORRECTIONAL FACILITIES INDUSTRIES REVOLVING FUND
STATEMENT OF OPERATIONS
AND ACCUMULATED OPERATING DEFICIT
FOR THE YEAR ENDED MARCH 31

	2001		2000
	Budget (Note 10)	Actual	Actual
Sales	$ 1,120,000	$ 1,020,908	$ 742,702
Cost of goods sold (Note 6)	950,928	807,170	671,168
Gross profit	169,072	213,738	71,534
Operating expenses:			
Salaries	239,400	237,646	236,001
Office supplies	3,650	2,419	3,069
Repairs and maintenance	7,400	547	3,389
Delivery	2,000	1,063	1,905
Travel	14,000	9,987	9,917
Amortization	4,415	3,002	2,830
Bad debts/allowance	3,230	49,601	23,332
Inmate assessment	22,750	18,976	20,045
Advertising	---	834	---
Returns	---	802	1,192
Miscellaneous	6,600	5,292	9,531
Inventory Write-down	---	42,589	---
	303,445	372,758	311,211
Loss from operations	(134,373)	(159,020)	(239,677)
Other income	---	---	310
Gain on sale of assets	---	---	5,087
Subsidy and recovery from General Revenue Fund (Note 4)	142,000	142,000	379,000
Net (loss) income	$ 7,627	(17,020)	144,720
Accumulated operating deficit, beginning of year		(73,716)	(218,436)
Accumulated operating deficit, end of year - to Statement 1		$ (90,736)	$ (73,716)

(See accompanying notes to the financial statements)

Statement 3

CORRECTIONAL FACILITIES INDUSTRIES REVOLVING FUND STATEMENT OF CHANGES IN ACCUMULATED NET EXPENDITURE FOR THE YEAR ENDED MARCH 31

	2001	2000
Financing (provided by) required for operating activities:		
Net loss (income)	$ 17,020	$ (144,720)
Items not affecting working capital		
- amortization	(32,492)	(37,929)
- gain on disposal of capital assets	---	5,087
Working capital changes related to operations		
Increase (decrease) in accounts receivable	256,249	(153,668)
(Decrease) in inventories	(9,346)	(18,183)
(Increase) decrease in current liabilities	(111,182)	89,874
	120,249	(259,539)
Financing (provided by) required for investing activities:		
Purchase of capital assets	14,519	6,155
Proceeds from sale of capital assets	---	(10,627)
	14,519	(4,472)
Net expenditure/(recovery):	134,768	(264,011)
Accumulated net expenditure, beginning of year	502,273	766,284
Accumulated net expenditure, end of year - to Statement 1	$ 637,041	$ 502,273

(See accompanying notes to the financial statements)

CORRECTIONAL FACILITIES INDUSTRIES REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition of Reporting Entity

The Revolving Fund operates under the authority of Section 53 of *The Correctional Services Act*. The purpose of the Revolving Fund is to rehabilitate inmates by operating work programs intended to provide practical and marketable work skills for inmates and to reduce the costs of inmate programming.

2. Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Expenditure. The following accounting policies are considered significant:

a) Basis of Accounting

These financial statements are prepared using the accrual basis of accounting.

b) Revenue Recognition

The financial statements recognize revenue from long-term contracts proportionately with the degree of completion of goods under a contract.

c) Net Expenditure/(Recovery)

The net cash expenditure/(recovery) is the cash flow from/(to) the General Revenue Fund. It represents the total annual financing requirements resulting from the acquisitions, working capital changes and net cash flows from operations.

d) Accumulated Net Expenditure

The accumulated net expenditure of the Revolving Fund includes the following:

i) the net expenditure/(recovery) for each fiscal year, and

ii) the book value of assets acquired at no charge from other government agencies.

e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by using the first in, first out method.

f) Capital Assets

Capital assets are recorded at cost. The cost and related accumulated amortization of items retired or disposed of are removed from the records and any gains or losses are included in the statement of operations.

Amortization is calculated on the straight-line basis at an annual rate of 10% for equipment and leasehold improvements and on a diminishing balance basis at an annual rate of 30% for tools and other assets.

Computer equipment is amortized on a straight-line basis over 3 years.

3. Authorized Financing

Subsection 53 (10) of *The Correctional Services Act* specifies that the maximum amount of accumulated net expenditure which may be outstanding at any time will be set by order of the Lieutenant Governor in Council. A maximum amount of $900,000 was established by Order in Council 816/89.

4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with subsection 53 (4) of *The Correctional Services Act*, the Minister shall pay to the General Revenue Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Revolving Fund shall be $100,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus/deficit exceeds the maximum, then any surplus/deficit in excess of the maximum shall, as soon as possible after the close of the fiscal year, be paid to/from the General Revenue Fund. During the year the Revolving fund received $ 0 (2000 - $ 237,000) as a deficit recovery from the General Revenue Fund.

However, if any deficit is in fact a subsidy and not a deficit due to business fluctuations, it must be recovered from the General Revenue Fund (Department of Justice's appropriation) in the same year. The Department budgets for a subsidy to the Revolving Fund in the same year that the deficit is expected to occur. During the year, the Revolving Fund received $ 142,000 (2000 - $142,000) as a subsidy from the General Revenue Fund.

5. Capital Assets

	2001			2000		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Equipment	$ 266,419	$ 199,880	$ 66,539	$ 256,479	$ 181,666	$ 74,813
Tools	58,814	50,582	8,232	55,055	46,792	8,263
Leasehold Improvements	70,269	63,985	6,284	70,268	57,236	13,032
Computer	12,416	11,132	1,284			
Other	14,190	12,475	1,715	25,779	19,860	5,919
	$ 422,108	$ 338,054	$ 84,054	$ 407,581	$ 305,554	$ 102,027

6. Cost of Goods Sold

Cost of goods sold consists of the following:

	2001	2000
Materials	$ 384,112	$ 297,890
Supplies	29,734	18,648
Small tools	3,728	2,656
Inmate labour	39,807	34,726
Inmate incentive	73,041	70,012
Amortization	29,490	35,099
Staff salaries	208,001	194,478
Shop expense	39,257	17,659
	$ 807,170	$ 671,168

7. Amount Reported in the Public Accounts

The net recovery of the Revolving Fund reported in Public Accounts is the net income of the Revolving Fund adjusted for differences in accounting policies and other adjustments between the Revolving Fund and the General Revenue Fund:

	2001	2000
Net (loss) income	$ (17,020)	$ 144,720
Decrease in inventory balance	9,346	18,183
Decrease in net capital assets	17,973	37,314
Amounts not included in Public Accounts due to timing	(5,497)	13,757
Net recovery reported in the Public Accounts	$ 4,802	$ 213,974

8. Related Parties

These financial statements include transactions with related parties. The Revolving Fund is related to all Saskatchewan Crown agencies such as departments, corporations, agencies, boards and commissions under the common control of the Government of Saskatchewan. Also, the Revolving Fund is related to enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are settled on normal trade terms. These transactions, and amounts outstanding, at year end are as follows:

	2001	2000
Revenue	$ 518,222	$ 264,194
Accounts receivable	340,877	24,141

In addition, the Fund pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by the various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

9. Financial Instruments

The Revolving Fund's financial instruments consist of accounts receivable, accounts payable and accumulated net expenditure.

a) Significant terms and conditions

There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows.

b) Credit risk

The Revolving Fund is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the accounts receivable balances are due from other Saskatchewan Crown agencies therefore the credit risk is minimal.

c) Fair value

The carrying amounts approximate fair value due to their immediate or short-term nature. The fair value of the accumulated net expenditure has been omitted because it is not practicable to determine the fair value with sufficient reliability.

10. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

11. Contingency

The Government of Saskatchewan is named as a defendant regarding the manufacture of a play structure. The merits of the claim are unknown and an estimate of the extent of damages, if any, cannot be made.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Highways Revolving Fund as at March 31, 2001 and the statements of operations and accumulated operating surplus/deficit and changes in accumulated net expenditure for the year then ended. The Revolving Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Revolving Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 27, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

HIGHWAYS REVOLVING FUND
BALANCE SHEET
As At March 31

	2001	2000
ASSETS		
Current:		
Accounts receivable	$ 3,085,306	$ 3,143,870
Inventories	3,394,344	3,269,128
	6,479,650	6,412,998
Non-current:		
Construction materials inventory (Note 5)	262,351	401,290
Construction, maintenance and other equipment (Note 6)	47,381,185	46,101,260
Capital lease vehicles (Note 7)	1,407,079	1,756,112
	49,050,615	48,258,662
	$ 55,530,265	$ 54,671,660
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	$ 3,473,184	$ 2,919,204
Current portion of obligation under capital leases (Note 8)	690,119	689,291
	4,163,303	3,608,495
Non-current liabilities:		
Long-term obligation under capital leases (Note 8)	829,373	999,465
Accumulated net expenditure (Statement 3)	49,566,766	51,531,722
	50,396,139	52,531,187
Fund equity:		
Accumulated operating surplus (deficit) (Statement 2)	970,823	(1,468,022)
	$ 55,530,265	$ 54,671,660

(See accompanying notes to the financial statements)

Statement 2

HIGHWAYS REVOLVING FUND
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS/DEFICI
For the Year Ended March 31

	2001		2000
	Budget (Note 12)	Actual	Actual
Revenue:			
Equipment Rental	$ 19,815,000	$ 22,315,797	$ 18,447,477
Custom Work and Other	4,015,000	5,273,895	3,700,818
Store Sales & Labour	2,032,000	2,311,650	1,975,304
Total revenue	$ 25,862,000	$ 29,901,342	$ 24,123,599
Expenses:			
Repair	$ 5,342,000	$ 4,959,075	$ 4,755,942
Operating	5,352,000	6,299,757	4,906,003
Amortization	3,818,000	4,636,717	4,147,642
Custom Work	4,000,000	5,167,866	3,397,878
Store Sales & Labour	2,032,000	2,337,062	1,966,578
Direct Overheads	3,694,000	3,503,645	3,565,020
Direct expenses	$ 24,238,000	$ 26,904,122	$ 22,739,063
Gross margin	$ 1,624,000	$ 2,997,220	$ 1,384,536
General Overheads	$ 1,250,000	$ 1,383,459	$ 1,195,431
Net Income from operations	$ 374,000	$ 1,613,761	$ 189,105
Net Loss on Sale of Equipment	(350,000)	(474,916)	(430,891)
Recovery of Prior Years' Deficits - General Revenue Fund	1,300,000	1,300,000	3,200,000
Net Income	$ 1,324,000	$ 2,438,845	$ 2,958,214
Accumulated operating deficit, beginning of year	$ (1,468,022)	$ (1,468,022)	$ (4,426,236)
Accumulated operating surplus (deficit), end of year - to Statement 1	$ (144,022)	$ 970,823	$ (1,468,022)

(See accompanying notes to the financial statements)

Statement 3

HIGHWAYS REVOLVING FUND
STATEMENT OF CHANGES IN ACCUMULATED NET EXPENDITURE
For the Year Ended March 31

	2001	2000
Financing required for (provided by) operating activities:		
Net income after operating recovery	$ (2,438,845)	$ (2,958,214)
Items not affecting working capital		
- amortization (Note 9)	(4,636,717)	(4,147,642)
- loss on disposal of capital assets	(474,916)	(430,891)
Net decrease in working capital items related to operations (Note 10)	(487,328)	(4,564,985)
	$ (8,037,806)	$ (12,101,732)
Financing required for (provided by) investing activities:		
Decrease in construction materials inventory	(138,939)	$ (182,944)
Purchase of equipment	6,354,913	6,827,996
Proceeds from sale of equipment	(756,033)	(464,632)
	$ 5,459,941	$ 6,180,420
Financing required for financing activities:		
Paydown in obligation under the capital lease	$ 612,909	$ 686,066
Net decrease in financing requirements	$ (1,964,956)	$ (5,235,246)
Accumulated net expenditure, beginning of year	$ 51,531,722	$ 56,766,968
Accumulated net expenditure, end of year - to Statement 1	$ 49,566,766	$ 51,531,722

(See accompanying notes to the financial statements)

HIGHWAYS REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition of Reporting Entity

The authority for this Revolving Fund was originally contained in Section 21 of *The Highways Act* and is continued under Section 7 of *The Department of Highways and Transportation Act, 1997.* The purpose of the Revolving Fund is to provide a system of accounting that accumulates the costs of equipment, materials and labour used in the provision of construction and maintenance services. These costs are charged back to the Department and other parties on an equitable basis.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Expenditure and Note 10. The following accounting policies are considered significant:

a) Net Expenditure/(Recovery)

The net expenditure/(recovery) is the cash flow from/(to) the General Revenue Fund. It represents the total annual financing requirements resulting from net capital acquisitions, working capital changes and net cash flows from operations.

b) Accumulated Net Expenditure

The accumulated net expenditure of the Revolving Fund includes the following:

i) working capital advanced by the Minister of Finance as at March 31, 1982 to the Revolving Fund;

ii) the net expenditure/(recovery) for each fiscal year thereafter; and

iii) the book value of assets acquired at no charge from another government agency.

c) Inventories

Inventories are valued at the lower of original cost, as calculated on a moving average basis for each shop, and net realizable value.

d) Amortization

i) Power Equipment

Construction and maintenance equipment over $500 is amortized on a unit of use basis (hours). The amortization rate per hour of use for each item is calculated to allocate the capital cost of that item, less residual value, over the life expectancy of the asset.

Tractors	3,000 to 10,400 hours
Motor Graders	14,000 to 18,000 hours
Heavy Trucks	3,750 to 15,000 hours
Trailers	2,000 to 12,000 hours
Construction Equipment	2,000 to 16,000 hours

ii) Computer Systems

System Development costs over $500 are amortized on a straight-line basis at the rate of 20% per year.

iii) Computer Equipment

Computer Equipment over $500 is amortized on a straight-line basis at the rate of 25% per year.

iv) Capital Lease Vehicles

Capital lease vehicles are amortized on a straight-line basis over the term of the lease. The typical lease term for these units is 6 years. Major additions or modifications made to motor vehicle units leased from the SPMC (a related party) are treated as capital cost additions. The amortization rate per unit of use for each item is calculated to allocate the capital cost of that item. Amortization is calculated on the capital cost additions for a unit, on a straight-line basis over the remaining term of the lease for that unit.

v) Other

Salt storage bins are amortized on a straight-line basis at a rate of 5% per year.

For all other sundry, survey, repair shop, office equipment and furniture, amortization is calculated as follows:

- Items costing $500 or more are amortized on the straight-line basis at a rate of 10% per year.

e) Sales

Sales of the Revolving Fund include the following:

i) Equipment Rental Revenue

The rental rates charged by the Revolving Fund for use of its construction and maintenance equipment are calculated to recover the following Revolving Fund costs:

- amortization
- repair and overhaul
- operating costs of fuel, oil and licence registration and insurance fees; and
- administration costs of the stores and repair depots and Revolving Fund office.

Each of the foregoing components of the rental rate is reviewed annually, revised as required, and approved by Treasury Board.

ii) Custom Work and Other Revenue

The Revolving Fund uses the percentage of completion method to recognize construction revenue on custom work.

For the 2000-2001 fiscal year, other revenues amount to $40,848 and custom work revenues is $5,233,047.

iii) Store Sales and Labour

Store Sales and Labour rates are calculated to recover the Revolving Fund's direct costs. All sales are to the Department of Highways and Transportation.

f) Surcharges

Surcharges levied by the Revolving Fund pursuant to Treasury Board directives are required to be returned to the General Revenue Fund. Any unremitted surcharges are recorded as a liability.

g) Capital Lease Vehicles

Vehicles taken on lease terms which transfer substantially all of the benefits and risks of ownership to the Revolving Fund are accounted for as capital leases.

3. Authorized Financing

Subsection 7(6) of *The Department of Highways and Transportation Act, 1997* specifies that the maximum amount of accumulated net expenditure which may be outstanding at any time will be set by order of the Lieutenant Governor in Council. A maximum amount of $80,000,000 was established in April 1983 and was reduced to $55,000,000 in January 1994 by Order in Council. It was then increased by Order in Council to $60,000,000 in March 1999.

4. Accumulated Operating Surplus or Deficit

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated operating surplus/deficit. If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus/deficit for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding from, the General Revenue Fund. The limit for the Highways Revolving Fund is $1,000,000.

5. Construction Materials Inventory

The construction materials inventory is an aggregate stockpile that will not be used in one year. The entire inventory has been classified as a non-current asset.

6. Construction, Maintenance and Other Equipment

Details of this equipment are as follows:

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net book value
Power Equipment	$ 74,064,520	$ 31,263,752	$ 42,800,768	$ 41,878,191
Sundry Equipment	13,408,183	9,950,347	3,457,836	3,221,520
Survey Equipment	213,857	205,630	8,227	12,181
Repair Shop Equipment	1,499,057	900,553	598,504	256,173
Office Equipment and Furniture	1,623	831	792	1,207
Computer System	1,100,000	660,000	440,000	660,000
Computer Software	3,627	1,209	2,418	
Computer Equipment	212,600	139,960	72,640	71,988
Total Capital Assets	$ 90,503,467	$ 43,122,282	$ 47,381,185	$46,101,260

Power, sundry and survey equipment, including expenditures which renovate or modify the equipment and result in a corresponding increase in the useful life of the equipment, are capitalized and recorded at cost.

Amortization has been provided for in the amount of $ 3,864,714 in the current year (2000 - $2,929,655).

7. Capital Lease Vehicles

Details of the leased vehicles are as follows:

	2001		
	Cost	Accumulated Amortization	Net Book Value
Balance March 31, 2000	5,175,168	3,419,057	1,756,111
Add: Additions/Depreciation	460,242	772,003	(311,761)
Less: Disposals	1,988,681	1,951,410	37,271
Balance March 31, 2001	3,646,729	2,239,650	1,407,079

Amortization has been provided for in the amount of $ 772,003 in the current year (2000 - $1,217,987).

8. Obligation under Capital Leases

The following is a schedule of future minimum lease payments under a capital lease with SPMC for non-maintenance vehicles together with the present balance of the obligation. The lease agreement effective April 1, 1987 and subsequently amended, allows vehicles to be leased for an initial term of four or six years with an annual bargain renewal option thereafter.

Under the agreement, the Revolving Fund receives replacement vehicles on an ongoing basis from SPMC.

Year ended March 31:

2002	$ 690,119
2003	512,969
2004	362,236
2005	238,142
2006	134,579
2007 - 2009	20,801
Total minimum lease payments	$ 1,958,846
Less: Amount representing interest at rates 8% to 11%	246,873
Executory costs	192,481
	$ 1,519,492
Less: Amount due within one year	690,119
Long term lease obligation	$ 829,373

Interest of $ 121,749 (2000 - $ 100,805) is included in the expenditures of 2001.

9. Expenditures

The Revolving Fund's direct expenses and general expenses are classified as follows:

	2001	2000
Operating Expenses	$16,691,274	$13,287,866
Salaries and benefits	6,729,275	6,227,517
Amortization	4,636,717	4,147,642
Other	230,315	271,469
	$ 28,287,581	$ 23,934,494

10. Net Change in Working Capital Items Related to Operations

	2001	2000
Increase/(decrease) in accounts receivable	$ (58,564)	$ (3,165,744)
Increase in inventories	125,216	162,341
Decrease/(increase) in accounts payable	(553,980)	(1,561,582)
	$ (487,328)	$ (4,564,985)

11. Related Party Transactions

These financial statements include transactions with related parties. The Revolving Fund is related to all Saskatchewan Crown agencies such as departments, corporations, agencies, boards and commissions under the common control of the Government of Saskatchewan. Also, the Revolving Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are settled on normal trade terms. These transactions, and amounts outstanding at year-end, are as follows:

Category (as per Financial Statements)	**2001**	**2000**
Revenue (Department of Highways and Transportation)	$ 24,627,447	$ 20,422,781
Accounts Receivable (Department of Highways and Transportation)	1,688,181	1,833,532
Accounts Receivable (Transportation Partnership Fund)	33,053	20,166
Expenses (Various Crown Corporations)	1,250,678	1,263,627
Capital Lease Principal Payments (Saskatchewan Property Management Corporation)	612,909	686,066

In addition, the Revolving Fund pays Provincial Sales tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing, certain information system support and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore, no provision for such costs is reflected in these financial statements.

12. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

13. Financial Instruments

The Revolving Fund's financial instruments include accounts receivable and accounts payable. Due to their immediate and short-term nature, the fair value of these instruments approximates the carrying value.

The Revolving Fund's financial instruments also include long term obligations under capital leases. The fair value of these obligations approximates the carrying value because the implicit rate of interest inherent in the leases approximates the market rate of interest.

The fair value of the accumulated net expenditure has been omitted because it is not practicable to determine the fair value with sufficient reliability.

14. Commitments

The Revolving Fund is committed to purchasing construction and maintenance equipment and other goods and services valued at $493,586 in 2002.

15. Amount Reported in the Public Accounts

The net financing recovery/(requirement) of the Revolving Fund reported in the Public Accounts is the net income/(loss) of the Revolving Fund adjusted for the differences in accounting policies between the Revolving Fund and the General Revenue Fund.

	2001	2000
Net Income/(Loss)	$ 2,438,845	$ 2,958,214
(Increase) in inventories	(125,216)	(162,342)
Decrease in construction materials inventory	138,939	182,944
(Increase) in construction, maintenance and other equipment	(1,279,925)	(2,957,613)
Decrease in capital lease vehicles	349,033	700,256
Decrease in obligation under capital lease vehicles	(169,264)	(213,540)
Balance Sheet variances between RES and Revolving Fund General Ledger and amounts not included in Public Accounts due to timing	292,220	(216,798)
Net financing recovery/(requirement) reported in public accounts	$ 1,644,632	$ 291,121

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Livestock Services Revolving Fund as at March 31, 2001 and the statements of operations and accumulated operating surplus, and changes in accumulated net expenditure/(recovery) for the year then ended. The Revolving Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Revolving Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 31, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

LIVESTOCK SERVICES REVOLVING FUND
BALANCE SHEET
As at March 31

	2001	2000
ASSETS		
Current:		
Accounts receivable (Note 10)	$ 308,796	$ 272,513
Inventory	—	33,330
Accumulated net recovery (Statement 3)	—	28,280
	308,796	334,123
Capital assets (Note 5)	13,743	56,060
	$ 322,539	$ 390,183
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable (Notes 8 and 10)	$ 214,647	$ 201,004
Unearned revenue	7,270	3,100
	221,917	204,104
Accumulated net expenditure (Statement 3)	48,188	---
Fund equity:		
Accumulated operating surplus (Statement 2)	52,434	186,079
	$ 322,539	$ 390,183

(See accompanying notes to the financial statements)

Statement 2

LIVESTOCK SERVICES REVOLVING FUND
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS
Year Ended March 31

	Budget 2001 (Note 7)	Actual 2001	Actual 2000
REVENUES			
Livestock inspection fees	$ 2,173,500	$ 2,286,779	$ 2,185,940
Less commissions	41,970	43,697	41,842
Net inspection fees	2,131,530	2,243,082	2,144,098
Registered livestock brands	165,000	168,325	169,063
Livestock dealer licences	40,000	42,700	41,300
Administration fees (Note 8)	30,000	30,000	30,000
Other revenue	760	1,241	4,038
	2,367,290	2,485,348	2,388,499
EXPENSES			
Salaries and benefits	1,827,750	2,032,662	1,916,468
Travel	271,900	277,777	301,051
Stationery and printed forms	70,900	80,333	75,937
Telephone	71,500	69,975	77,019
Rental of office space and equipment	63,400	60,578	62,219
Amortization	---	42,317	44,185
Supplies and repairs	5,805	18,669	8,277
Training and general consulting	29,000	9,547	24,512
Computer hardware, software and supplies	6,600	7,677	6,563
Other	6,970	6,936	9,262
Uniforms and dry cleaning	9,965	6,832	8,417
Advertising and printing	3,500	5,690	778
	2,367,290	2,618,993	2,534,688
Net (loss) from operations	$ ---	(133,645)	(146,189)
Accumulated operating surplus, beginning of year		186,079	332,268
Accumulated operating surplus, end of year (Statement 1)		$ 52,434	$ 186,079

(See accompanying notes to the financial statements)

Statement 3

LIVESTOCK SERVICES REVOLVING FUND
STATEMENT OF CHANGES IN ACCUMULATED NET EXPENDITURE/(RECOVERY)
Year Ended March 31

	2001	2000
Financing required for (provided by) operating activities:		
Net loss from operations	$ 133,645	$ 146,189
Items not affecting working capital - amortization	(42,317)	(44,185)
Net (increase) in working capital items related to operations (Note 6)	(14,860)	(50,574)
	76,468	51,430
Financing required for investing activities:		
Purchase of capital assets	—	18,247
Net increase in financing requirements	76,468	69,677
Accumulated net recovery, beginning of year	(28,280)	(97,957)
Accumulated net expenditure/(recovery), end of year (Statement 1)	$ 48,188	$ (28,280)

(See accompanying notes to the financial statements)

LIVESTOCK SERVICES REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition

The Livestock Services Revolving Fund was established on June 25, 1996 pursuant to Section 17.1 of *The Department of Agriculture and Food Act*. The Revolving Fund's purpose is to operate the brand inspection program, the livestock inspection program and the livestock dealer licensing program. The Revolving Fund provides administrative services to the Cattle Marketing Deductions Fund and the Horned Cattle Fund pursuant to subsection 17.1(4)(d) of *The Department of Agriculture and Food Act*.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Expenditure/(Recovery). The following accounting policies are considered significant.

a) Net Expenditure (Recovery)

The net expenditure (recovery) is the cash flow from (to) the General Revenue Fund. It represents the total annual financing requirements from net capital acquisitions, working capital changes, and net cash flows from operations.

b) Accumulated Net Expenditure (Recovery)

The accumulated net expenditure (recovery) of the Revolving Fund includes the following:

i) the net expenditure (recovery) for each fiscal year; and

ii) the book value of assets acquired at no charge from another government agency.

c) Revenue

Inspection fees and commissions are recognized when the livestock are inspected prior to sale.

Brand revenue is recognized when the brand is issued.

Dealer license revenues are recognized when the license is issued.

Administration fees are recognized as revenue when the services have been provided.

d) Capital Assets and Amortization

Capital assets are recorded at cost net of accumulated amortization. The cost and related accumulated amortization of items retired or disposed of are removed from the records and any gains or losses are included in the statement of operations and accumulated operating surplus.

Amortization of capital assets is charged to operations using the straight line method at the following rates:

Computer equipment	33.3%
Office furniture	10%
Computer software	33.3%
Office equipment	20%

Assets acquired or disposed of by the Revolving Fund during the year are amortized at 50% of the above rates for the year of acquisition and disposal.

3. Authorized Financing

Subsection 17.1(12) of *The Department of Agriculture and Food Act* provides for a maximum accumulated net expenditure, which may at any time be outstanding, to be set by Order of the Lieutenant Governor in Council. Order in Council 536/97 established the maximum accumulated net expenditure of the Revolving Fund at $3,000,000.

4. Accumulated Operating Surplus/Deficit

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated operating surplus/deficit. If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus/deficit for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding from, the General Revenue Fund. The limit for the Livestock Services Revolving Fund is $500,000.

5. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	$ 115,830	$ 115,830	$ —	$ 35,650
Office furniture	8,830	2,947	5,883	6,766
Computer software	8,636	8,636	—	2,270
Office equipment	17,568	9,708	7,860	11,374
	$ 150,864	$ 137,121	$ 13,743	$ 56,060

6. Net Change in Working Capital Items Related to Operations

	2001	2000
Increase in accounts receivable	$ 36,283	$ 5,696
(Decrease) increase in inventory	(33,330)	1,970
(Increase) in accounts payable	(13,643)	(55,140)
(Increase) in unearned revenue	(4,170)	(3,100)
	$ (14,860)	$ (50,574)

7. Budget

These amounts are included in the Department budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

8. Related Party Transactions

These financial statements include transactions with related parties. The Revolving Fund is related to all Saskatchewan Crown agencies such as departments, corporations, agencies, boards and commissions under common control of the Government of Saskatchewan. Also, the Revolving Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at rates charged by those organizations and are settled on normal trade terms. The following table summarizes the routine related party transactions for the year:

	2001	2000
Financial statement category:		
Revenues	$ 30,000	$ 30,000
Expenses	207,531	196,177
Accounts payable	16,318	27,467

The Revolving Fund received use of certain office space and administration services from the Department without charge. In addition, the Revolving Fund pays Provincial Sales Tax to the Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of these purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

9. Amount Recorded in Public Accounts

The net expenditure of the Revolving Fund reported in the Public Accounts is the net loss of the Revolving Fund adjusted for the following differences in accounting policies between the Revolving Fund and the General Revenue Fund.

	2001	2000
Net loss from operations	$ 133,645	$ 146,189
(Decrease) in net capital assets	(42,317)	(25,938)
(Decrease) increase in inventory balance recorded by the Revolving Fund	(33,330)	1,970
Timing differences in recording revenue/expenses	19,278	(8,891)
Net expenditure reported in the Public Accounts	$ 77,276	$ 113,330

10. Financial Instruments

a) Significant terms and conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that affect the amount, timing, and certainty of future cash flows.

b) Credit risk

The Revolving Fund is exposed to credit risk from potential non-payment of accounts receivable. Most of the receivables were received shortly after year end reducing the credit risk.

c) Fair Value

Accounts receivable and accounts payable are non-interest bearing and are due or payable within the next year. Due to this short-term maturity, the carrying value of these financial instruments approximates fair value.

The fair value of the accumulated net recovery has been omitted because it is not practicable to determine the fair value with sufficient reliability.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Pastures Revolving Fund as at March 31, 2001 and the statements of operations and accumulated operating deficit, and changes in accumulated net expenditure for the year then ended. The Revolving Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Revolving Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 5, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

PASTURES REVOLVING FUND
BALANCE SHEET
As at March 31

	2001	2000
ASSETS		
Current assets:		
Accounts receivable	$ 308,462	$ 268,490
Inventory	280,572	414,380
	589,034	682,870
Capital assets (Note 5)	2,152,424	2,314,187
	$ 2,741,458	$ 2,997,057
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 272,686	$ 186,032
Unearned revenue	19,700	16,682
	292,386	202,714
Non-current liabilities:		
Accumulated net expenditure (Statement 3)	3,178,422	3,591,327
	3,470,808	3,794,041
Equity:		
Accumulated operating deficit (Statement 2)	(729,350)	(796,984)
	$ 2,741,458	$ 2,997,057

(See accompanying notes to the financial statements)

Statement 2

PASTURES REVOLVING FUND
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING DEFICIT
For the Year Ended March 31

	Budget 2001 (Note 6)	Actual 2001	Actual 2000
REVENUES			
Grazing	$ 4,790,000	$ 4,900,642	$ 4,806,242
Bull wintering	350,000	403,019	355,068
Cow wintering	250,000	148,745	158,092
House rent	70,000	62,522	68,700
Well site and roadway easements	50,000	687,294	43,300
Seismic easement	30,000	18,223	20,562
Hay	15,000	30,356	7,493
Backgrounding	85,000	40,621	22,907
Gain on disposal of capital assets	---	18,703	2,156
Other	---	8,395	5,123
	5,640,000	6,318,520	5,489,643
EXPENSES			
Salaries	2,794,905	2,753,204	2,687,285
Taxes	815,670	786,187	799,273
Repairs and improvements	542,837	521,818	760,804
Rental of equipment, horses and other	340,000	390,095	370,549
Travel	275,516	273,512	267,314
Amortization	250,000	290,302	265,636
Seed and forage	200,000	506,587	257,896
Small tools, equipment and supplies	130,985	158,709	161,254
Utilities	114,950	135,945	108,884
Veterinary fees and supplies	95,518	112,274	93,471
Telephone	89,875	91,201	87,320
Freight and postage	17,042	41,393	17,630
Advertising and printing	16,547	5,781	5,830
Bad debt expense	---	19,421	1,551
(Recovery) decline in inventory	---	---	(268)
Other	45,555	261,441	43,033
	5,729,400	6,347,870	5,927,462
Net loss (Note 8)	(89,400)	(29,350)	(437,819)
Accumulated operating deficit, beginning of year	(796,984)	(796,984)	(359,165)
Transfer from General Revenue Fund (Note 4)	---	96,984	---
Accumulated operating deficit, end of year – to Statement 1	$ (886,384)	(729,350)	$ (796,984)

(See accompanying notes to the financial statements)

Statement 3

PASTURES REVOLVING FUND
STATEMENT OF CHANGES IN ACCUMULATED NET EXPENDITURE
For the Year Ended March 31

	2001	2000
Financing required for (provided by) operating activities:		
Net loss	$ 29,350	$ 437,819
Items not affecting working capital:		
Amortization	(290,302)	(265,636)
Bad debt expense	(19,421)	(1,551)
Gain on disposal of capital assets	18,703	2,156
Net increase in working capital items related to operations (Note 10)	(164,087)	113,898
	(425,757)	286,686
Financing required for (provided by) investing activities:		
Purchase of capital assets	138,448	449,132
Proceeds from sale of capital assets	(28,612)	(8,823)
	109,836	440,309
Financing required for (provided by) financing activities:		
Payment from General Revenue Fund	(96,984)	---
Net (decrease) increase in financing requirements	(412,905)	726,995
Accumulated net expenditure, beginning of year	3,591,327	2,864,332
Accumulated net expenditure, end of year – to Statement 1	$ 3,178,422	$ 3,591,327

(See accompanying notes to the financial statements)

PASTURES REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition

The Pastures Revolving Fund is continued under *The Pastures Act*, effective August 1, 2000. The Revolving Fund was formerly called the Conservation and Development Revolving Fund. The Revolving Fund provides for the establishment, operation, management and maintenance of pastures, programs and services related to pasture and livestock management, programs related to developing, protecting or promoting the environmental, social, or economic use of pastures.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. These statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Expenditure and Note 10. The following policies are considered significant:

a) Net Expenditure (Recovery)

The net expenditure (recovery) is the cash flow from (to) the General Revenue Fund. It represents the total annual financing requirements resulting from net capital acquisitions, working capital changes, and net cash flows from operations.

b) Accumulated Net Expenditure (Recovery)

The accumulated net expenditure (recovery) includes the following:

i) the net expenditure (recovery) for each fiscal year; and
ii) the book value of assets acquired (disposed of) at no charge from (to) another government agency.

c) Inventory

Inventory is valued at the lower of cost and net realizable value. Inventory consists of repair parts, livestock feed, minerals and fencing supplies.

d) Capital Assets and Amortization

Capital assets are recorded at cost net of accumulated amortization. The cost and related accumulated amortization of items retired or disposed of are removed from the records and any gains or losses are included in the statement of operations and accumulated operating deficit. Amortization of all capital assets is charged to operations using the straight-line method at the following rates:

Fencing and corrals	10%
Water sites	5%
Buildings	5%
Equipment	10%
Office equipment	25%
Land improvements	10%

Assets acquired or disposed of by the Revolving Fund during the year are amortized at 50% of the above rates for the year of acquisition and disposal.

e) Unearned Revenue

Unearned revenue consists of grazing revenue that will be earned in future periods. These amounts are included in income when the revenue is earned.

3. Authorized Financing

Subsection 16(11) of *The Department of Agriculture Act* provided for a maximum accumulated net expenditure, which may at any time be outstanding to be set by Order of the Lieutenant Governor in Council. Order in Council 1859/83 established a maximum accumulated net expenditure of $10,000,000.

4. Accumulated Operating Surplus (Deficit)

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated operating surplus/deficit. If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus/deficit for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding from, the General Revenue Fund. The limit for the Pastures Revolving Fund is $700,000.

5. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Fencing and corrals	$ 663,110	$ 263,332	$ 399,778	$ 452,826
Water sites	436,509	78,315	358,194	327,782
Equipment	1,439,734	538,082	901,652	938,839
Buildings	312,991	68,864	244,127	299,466
Office equipment	89,889	56,144	33,745	56,202
Land improvements	257,187	42,259	214,928	239,072
Total	$ 3,199,420	$ 1,046,996	$ 2,152,424	$2,314,187

6. Budget

Treasury Board approves the Revolving Fund's budget annually.

7. Related Party Transactions

Included in these financial statements are the following transactions with Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Revolving Fund by virtue of common control or significant influence by the Government of Saskatchewan.

The Revolving Fund purchased utility and communication services of $196,454 (2000 – $186,583) from SaskPower, SaskEnergy and SaskTel and purchased vehicle rentals, insurance and supplies of $122,982 (2000 - $185,054) from Saskatchewan Property Management Corporation and Saskatchewan Government Insurance. These transactions are in the normal course of operations and are recorded at the standard rates charged by these corporations.

The Revolving Fund paid employee benefits of $171,271 (2000 - $157,028) to Public Service Superannuation Fund, Public Employees Superannuation Fund, Public Employees Disability Income Fund and Public Employees Group Life Insurance Fund.

The Revolving Fund receives use of Crown land, office space and administrative services from the Department of Agriculture and Food without charge. In addition, the Revolving Fund pays provincial sales tax to the Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of these purchases.

As at March 31, 2001, $21,060 (2000 - $20,291) was due to Government agencies as a result of the transactions referred to above.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

8. Amount Reported in Public Accounts

The net (expenditure) recovery of the Revolving Fund reported in the Public Accounts is the net (loss) income of the Revolving Fund adjusted for the following differences between the Revolving Fund and the General Revenue Fund:

	2001	2000
Net loss	$ (29,350)	$ (437,819)
Payment from General Revenue Fund	96,984	---
Decrease (increase) in inventory balance recorded by the Revolving Fund	133,808	(47,897)
Decrease (increase) in net capital assets recorded by the Revolving Fund	161,763	(176,829)
Timing differences in recording revenue/payments	(27,624)	(27,608)
Net recovery (expenditure) reported in the Public Accounts	$ 335,581	$ (690,153)

9. Financial Instruments

a) Significant terms and conditions

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that affect the amount, timing and certainty of future cash flows.

b) Credit risk

The Revolving Fund is exposed to credit risk from potential non-payment of accounts receivable. The total of the receivables is $377,128 at March 31, 2001 with an allowance for doubtful accounts of $68,666. Some of the receivables were received shortly after year end reducing the credit risk.

c) Receivables/Payables

These financial instruments are non-interest-bearing and are due or payable within one year. Due to this short-term maturity, the carrying value of these financial instruments approximates their fair value.

10. Net Change in Working Capital Items Related to Operations

	2001	2000
Working capital changes:		
Increase (decrease) in accounts receivable	$ 59,393	$ (7,430)
(Decrease) increase in inventory	(133,808)	47,897
(Increase) decrease in accounts payable	(86,654)	61,619
(Increase) decrease in unearned revenue	(3,018)	11,812
	$ (164,087)	$ 113,898

11. Commitments on Leased Farm Equipment

As of March 31, 2001, the Fund is committed to future lease payments of:

2001/02	$78,960
2002/03	$52,155
2003/04	$31,801

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Public Employees Benefits Agency Revolving Fund as at March 31, 2001 and the statements of operations, and changes in accumulated net expenditure for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 20, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

PUBLIC EMPLOYEES BENEFITS AGENCY REVOLVING FUND BALANCE SHEET

STATEMENT 1

AS AT MARCH 31

	2001	2000 (Note 11)
ASSETS		
Accounts receivable (Notes 6 and 9)	$ 704,772	$ 806,187
Capital assets (Note 4)	945,879	832,052
	$1,650,651	$1,638,239
LIABILITIES		
Liabilities:		
Accounts payable and accrued liabilities (Notes 6 and 9)	$ 193,433	$ 417,893
Non-current Liabilities:		
Accumulated net expenditure (Statement 3)	1,457,218	1,220,346
	$1,650,651	$1,638,239

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES BENEFITS AGENCY REVOLVING FUND STATEMENT OF OPERATIONS

STATEMENT 2

FOR THE YEAR ENDED MARCH 31

	2001 Budget (Note 7)	2001 Actual	2000 Actual (Note 11)
REVENUE:			
Administration fees (Note 6)	$7,170,736	$5,883,129	$5,901,010
EXPENSES:			
Salary and benefits expense	3,159,073	3,090,516	2,893,210
Contractual services-professional and technical	1,991,689	1,427,192	1,890,597
Rent	421,711	374,397	351,842
Postage and communications	354,189	263,714	246,409
Supplies	187,300	103,172	116,637
Advertising/printing related expenses	241,125	43,075	29,048
Travel	158,854	74,116	76,784
Amortization	638,985	478,384	283,978
Repairs and maintenance-furniture/equipment	6,000	10,328	1,259
Business entertainment expense	11,810	18,235	11,246
Total expenses	7,170,736	5,883,129	5,901,010
Net income	$ -	$ -	$ -

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES BENEFITS AGENCY REVOLVING FUND STATEMENT OF CHANGES IN ACCUMULATED NET EXPENDITURE

STATEMENT 3

FOR THE YEAR ENDED MARCH 31

	2001	2000 (Note 11)
Financing (provided by) required for operating activities:		
Net income	$ -	$ -
Items not affecting working capital - Amortization	(478,384)	(283,978)
Net increase in working capital items related to operations (Note 5)	123,045	252,683
Net financing from operating activities	(355,339)	(31,295)
Financing required for investing activities:		
Purchase of capital assets	592,211	402,008
Proceeds from sale of capital assets	-	(702)
Net financing used in investing activities	592,211	401,306
Net increase in financing requirements	236,872	370,011
ACCUMULATED NET EXPENDITURE, beginning of year	1,220,346	850,335
ACCUMULATED NET EXPENDITURE, end of year – to Statement 1	$1,457,218	$1,220,346

(See accompanying notes to the financial statements)

PUBLIC EMPLOYEES BENEFITS AGENCY REVOLVING FUND NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2001

1. Authority and Definition of Accounting Entity

The authority for the Public Employees Benefits Agency Revolving Fund (Revolving Fund) is contained in Section 65 of *The Financial Administration Act, 1993.* The Revolving Fund was established to account for the administration costs of the Public Employees Benefits Agency (PEBA). These costs are allocated to the various plans and programs administered by PEBA in accordance with the policy described in Note 2(c).

2. Significant Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Expenditure and Note 5. The following policies are considered significant:

a) Net Expenditure (Recovery)

The net expenditure (recovery) for a fiscal year is the cash flow from (to) the General Revenue Fund. It represents the total annual financing requirements resulting from net capital acquisitions, working capital changes and net cash flow from operations of the Revolving Fund.

b) Accumulated Net Expenditure (Recovery)

The accumulated net expenditure (recovery) of the Revolving Fund consists of the sum of the net cash expenditures (recoveries) of each fiscal year since inception.

c) Revenue – Administration fees

The costs incurred by PEBA in the administration of the various plans and programs are billed on a monthly basis to these plans and programs as follows:

i) Costs relating to a particular plan or program are allocated to that plan.
ii) All other costs are allocated to the various plans and programs using a formula primarily based on employees' time required to administer these plans and programs.

d) Capital Assets

Individual capital assets and leasehold improvements costing more than $500 are capitalized. Capital assets are amortized on a straight-line basis over three years for computer software, hardware and system development and over five years for furniture and leasehold improvements. The cost and related accumulated amortization of items retired or disposed of are removed from the records and any gains or losses are included in the statement of operations.

3. Authorized Financing

Subsection 65(12) of *The Financial Administration Act, 1993* provides for the maximum of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. The maximum amount for accumulated net expenditure had been set at $2,200,000 by Order-in-Council 328/00.

4. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2001	2000	2001	2000	2001	2000
Computer Hardware	$ 774,887	$ 569,880	$546,396	$356,226	$228,491	$213,654
Computer Software	128,901	123,913	71,380	44,373	57,521	79,540
Furniture	109,181	107,386	67,373	23,334	41,808	84,052
System Development	632,514	252,094	152,903	14,694	479,611	237,400
Leaseholds	289,875	289,875	151,427	72,469	138,448	217,406
	$1,935,358	$1,343,148	$989,479	$511,096	$945,879	$832,052

5. Net Change in Working Capital Items Related to Operations

	2001	2000
Increase (decrease) in accounts receivable	$ (101,415)	$ (167,315)
(Increase) decrease in accounts payable and accrued liabilities	224,460	419,998
	$ 123,045	$ 252,683

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan collectively referred to as "related parties".

Expenses include $859,111 (2000 - $789,206) incurred by the Minister of Finance for rent and certain administrative services provided to the Revolving Fund. The Revolving Fund bills the various plans and programs administered by PEBA in accordance with subsection 64(7) of *The Financial Administration Act, 1993,* to recover those expenses. Amounts received by the Revolving Fund relating to these costs are credited to the General Revenue Fund in accordance with subsection 65(11) of *The Financial Administration Act, 1993.*

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore, no provision for such costs is reflected in these financial statements.

Routine operating transactions with other related parties are recorded at standard rates charged by those organizations and are settled on normal trade terms.

The following table summarizes the Revolving Fund's related party transactions that are in the normal course of operations.

	2001	2000
Administration fees	$5,883,129	$5,901,010
Expenses	$928,935	$843,344

At year end, the following amounts were due to/from related parties as a result of the transactions referred to above:

	2001	2000
Accounts receivable	$704,772	$806,187
Accounts payable and accrued liabilities	$62,178	$3,546

In addition, the Revolving Fund pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

7. Budget

The various pension plan boards approved their component of the annual budget. A copy of the annual budget was also submitted to Treasury Board.

8. Amount Reported in the Public Accounts

The net revenue/(expenditure) of the Revolving Fund reported in the Pubic Accounts is the net income/(loss) of the Revolving Fund adjusted for the following differences in accounting policies between the Revolving Fund and the General Revenue Fund:

	2001	2000
Net income/(loss)	$ -	$ -
(Increase) decrease in capital assets	(113,827)	(117,328)
Amounts not included in Public Accounts due to timing	(74,320)	(134,447)
Net financing requirement reported in Public Accounts	$(188,147)	$(251,775)

9. Financial Instruments

a) Significant terms and conditions

There are no significant terms and conditions related to financial instruments classified as accounts receivable or accounts payable and accrued liabilities that affect the amount, timing, and certainty of future cash flows.

b) Credit risk

The Revolving Fund is exposed to credit risk from potential non-payment of accounts receivable. However, the majority of the Revolving Fund's receivables are from government plans and programs administered by PEBA. Therefore, the credit risk is minimal.

c) Fair value

The Revolving Fund's financial instruments include accounts receivable and accounts payable and accrued liabilities. Due to their immediate or short-term nature, the fair value of these instruments approximates the carrying value.

The fair value of the accumulated net expenditure has been omitted because it is not practicable to determine the fair value with sufficient reliability.

10. Comparative Figures

Certain of the 2000 balances have been reclassified to conform with the current year's presentation.

11. Prior Period Adjustment

In 1999, PEBA received approval for a system upgrade on the pensioner computer system. In 1999/2000, management inadvertently expensed $155,636 of these costs rather than recording these costs as capital assets. Management has corrected this error retroactively and has restated the Fund's 1999/2000 financial statements.

As a result of this adjustment, the Fund's previously reported administration fees revenue for the year ended March 31, 2000, has been decreased by $155,636, contractual services expense decreased by $167,994 and amortization expense increased by $12,358. Also, at March 31, 2000, the previously reported accounts receivable has been decreased by $155,636, capital assets have been increased by $167,994, and accumulated amortization has been increased by $12,358. Net income and accumulated net expenditure did not change.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Queen's Printer Revolving Fund as at March 31, 2001 and the statements of operations and accumulated operating surplus and changes in accumulated net expenditure/recovery for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
August 10, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
BALANCE SHEET
As at March 31

	2001	2000 (Note 11)
ASSETS		
Current:		
Accounts receivable	$ 139,435	$ 88,106
Inventories	14,691	32,960
Prepaid expenses	399	898
Other assets	1,123	100
Total current assets	155,648	122,064
Capital assets (Note 5)	33,223	24,382
Total Assets	$ 188,871	$ 146,446
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts payable	$ 87,632	$ 60,966
Unearned revenue (Note 6)	72,244	79,065
	159,876	140,031
Non-current liabilities:		
Accumulated net (recovery)/expenditure (Statement 3)	(37,917)	(15,784)
Fund Equity:		
Accumulated operating surplus (Statement 2)	66,912	22,199
Total Liabilities and Fund Equity	$ 188,871	$ 146,446

(See accompanying notes to financial statements)

Statement 2

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS
For the Year Ended March 31

	2001		2000
	Budget (Note 9)	Actual	Actual (Note 11)
Sales	$ 797,250	$ 901,669	$ 782,730
Cost of goods sold	(357,000)	(352,850)	(296,878)
Gross profit	440,250	548,819	485,852
Expenses			
Salaries	370,000	397,496	398,548
Information technology	12,500	30,977	25,098
Amortization	18,000	22,298	24,815
Telephone	12,000	11,248	10,480
Office supplies	15,000	12,275	9,899
Other	29,000	29,812	16,994
Total expenses	456,500	504,106	485,834
Net (loss) income	(16,250)	44,713	18
Accumulated operating surplus, beginning of year	13,431	22,199	22,181
Accumulated operating surplus, end of year (Statement 1)	$ (2,819)	$ 66,912	$ 22,199

(See accompanying notes to financial statements)

Statement 3

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
STATEMENT OF CHANGES IN ACCUMULATED NET EXPENDITURE/RECOVERY FOR THE YEAR ENDED MARCH 31

	2001	2000 (Note 11)
Financing (provided by) required for operating activities:		
Net (income)	$ (44,713)	$ (18)
Items not affecting working capital -amortization	(22,298)	(24,815)
Net increase/(decrease) in working capital items related to operations (Note 7)	13,739	(35,806)
	(53,272)	(60,639)
Financing required for investing activities:		
Purchase of capital assets	31,139	25,318
Net (recovery)/expenditure	(22,133)	(35,321)
Accumulated net (recovery)/expenditure, beginning of year	(15,784)	19,537
Accumulated net (recovery)/expenditure, end of year - to Statement 1	$ (37,917)	$ (15,784)

(See accompanying notes to financial statements)

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition of Reporting Entity

The Revolving Fund operates under the authority of Section 9.1 of *The Queen's Printer's Act*. The purpose of the revolving fund is to provide a mechanism for printing, publishing and distributing government documents and publications to the public.

2. Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Expenditure/ Recovery and Note 7. The following accounting policies are considered significant:

a) Net Expenditure/(Recovery)

The net expenditure/(recovery) is the cash flow from/(to) the General Revenue Fund. It represents the total annual financing requirements resulting from net capital acquisitions, working capital changes and net cash flows from operations.

b) Accumulated Net Expenditure/(Recovery)

The accumulated net expenditure/(recovery) of the fund includes the following:

i) the net cash expenditure/(recovery) for each fiscal year; and

ii) the book value of assets acquired at no charge from other government agencies.

c) Inventories

Inventories are valued at the lower of average cost and net realizable value. Inventories consist of unsold Acts and Publications, books and loose-leaf releases and binders.

d) Capital Assets

Amortization is calculated on a straight-line basis at an annual rate of 10% of acquisition value for furniture, 20% for equipment, and 33 1/3% for computer hardware and software.

3. Authorized Financing

Subsection 9.1(10) of *The Queen's Printer's Act* specifies that the maximum amount of accumulated net expenditures which may be outstanding at any time will be set by order of the Lieutenant Governor in Council. A maximum amount of $150,000 was established by Order in Council 667/89.

4. Accumulated Operating Surplus / Deficit

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated operating surplus/deficit. If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus/deficit for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding from, the General Revenue Fund. The limit for the Queens Printer Revolving Fund is $100,000.

5. Capital Assets

	2001			2000
	Acquisition Value	Accumulated Amortization	Net Book Value	Net Book Value
Computer Hardware	$ 186,883	$ 160,981	$ 25,902	$ 18,983
Computer Software	26,911	25,304	1,607	0
Equipment/Furniture	21,217	15,503	5,714	5,399
	$ 235,011	$ 201,788	$ 33,223	$ 24,382

6. Unearned Revenue

Subscriptions to *The Saskatchewan Gazette* and the Queen's Printer Electronic Subscription Service are considered unearned revenue for those months that the subscription extends beyond the fiscal year.

7. Net Change in Working Capital Items Related to Operations

	2001	2000
Increase(decrease) in accounts receivable	$ 51,329	$ (55,553)
(Decrease) in inventory	(18,269)	(42,667)
Increase/(decrease) in prepaid expenses	(499)	898
Increase in other assets	1,023	—
(Increase)/decrease in accounts payable	(26,666)	63,863
(Increase)/decrease in unearned revenue	6,821	(2,347)
	$ 13,739	$ (35,806)

8. Related Party Transactions

These financial statements include transactions with related parties. The Revolving Fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Revolving Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are settled on normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

Category	2001	2000
Expenses	$102,358	$113,142
Accounts payable	11,770	6,364

Publications are sold and services are provided to related parties at amounts agreed to by the parties. These amounts are lower than those charged to other customers.

These transactions and amounts outstanding at year end are as follows:

Category	2001	2000
Revenue	$ 384,522	$ 288,118
Accounts receivable	83,451	52,441

In addition, the Revolving Fund pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.

In accordance with established government policy, the Revolving Fund has not been charged with certain occupancy, financing and administrative costs. These costs have been absorbed by the various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

9. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

10. Financial Instruments

The Revolving Fund's financial instruments include accounts receivable and accounts payable. Due to their immediate and short-term nature, the fair value of these instruments approximates the carrying value.

The fair value of the accumulated net expenditure has been omitted because it is not practicable to determine the fair value with sufficient reliability.

11. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

12. Amount Reported in the Public Accounts

The net (financing requirement)/recovery of the Revolving Fund reported in the Public Accounts is the net income of the Revolving Fund adjusted for the following differences in accounting policies and other adjustments between the Revolving Fund and the General Revenue Fund.

	2001	2000
Net income	$ 44,713	$ 18
Amortization expense	22,298	24,815
Decrease in inventory	18,269	42,667
(Increase) in net capital assets	(31,139)	(25,318)
Timing differences in recording transactions	(298)	4,432
Net (financing requirement)/recovery, reported in the Public Accounts	$ 53,843	$ 46,614

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Resource Protection and Development Revolving Fund as at March 31, 2001 and the statements of operations and accumulated operating surplus/(deficit), and changes in accumulated net expenditure for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 27, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

RESOURCE PROTECTION AND DEVELOPMENT REVOLVING FUND
BALANCE SHEET
As at March 31

	2001	2000
ASSETS		
Current:		
Accounts receivable (Note 10)	$ 79,818	$ 49,698
Inventories	235,556	265,362
Prepaid expenses	46,700	44,942
	362,074	360,002
Capital assets (Note 5)	2,091,893	1,993,147
	$ 2,453,967	$ 2,353,149
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (Note 10)	$ 276,056	$ 193,806
Unearned revenue	—	2,855
	276,056	196,661
Non-current liabilities:		
Accumulated net expenditure (Statement 3 and Note 10)	2,052,045	1,971,936
Fund equity:		
Accumulated operating surplus/(deficit) (Statement 2)	125,866	184,552
	$ 2,453,967	$ 2,353,149

(See accompanying notes to the financial statements)

Statement 2

RESOURCE PROTECTION AND DEVELOPMENT REVOLVING FUND
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS/(DEFICIT)
For the Year Ended March 31

	Budget 2001 (Note 9)	Actual 2001	Actual 2000
Revenues:			
Radio communications	$ 1,405,000	$ 1,643,422	$ 1,458,914
Equipment rental and recoveries	223,133	216,385	246,866
Staff housing	132,790	137,333	111,432
Northern air operations	110,000	75,331	46,022
Spruce budworm program	---	2,632	1,887,928
Other	---	223	30,303
	1,870,923	2,075,326	3,781,465
Expenses:			
Salaries	920,454	888,201	964,566
Contractual services	258,157	440,404	2,175,492
Materials & supplies	184,500	439,498	274,402
Amortization	336,179	329,501	309,146
Travel & sustenance	55,000	36,345	72,641
Other	116,633	63	666
	1,870,923	2,134,012	3,796,913
Net (loss)/income (Notes 6 and 11)	$ ---	(58,686)	(15,448)
Accumulated operating surplus/(deficit), beginning of year		184,552	295,307
Transfer to General Revenue Fund (Note 4)		---	(95,307)
Accumulated operating surplus/(deficit), end of year(Statement 1)		$ 125,866	$ 184,552

(See accompanying notes to the financial statements)

Statement 3

RESOURCE PROTECTION AND DEVELOPMENT REVOLVING FUND STATEMENT OF CHANGES IN ACCUMULATED NET EXPENDITURE
For the Year Ended March 31

	2001	2000
Financing (provided by)/required for operating activities:		
Net loss/(income)	$ 58,686	$ 15,448
Items not affecting working capital		
-amortization	(329,501)	(309,146)
-(loss)/gain on disposal of capital assets	(19,819)	26,958
Net (decrease)/increase in working capital Items related to operations (Note 7)	(77,323)	(95,429)
	(367,957)	(362,169)
Financing (provided by)/required for investing activities:		
Purchase of capital assets	452,795	135,321
Proceeds from sale of capital assets	(4,729)	(59,657)
	448,066	75,664
Financing activities:		
Payment to the General Revenue Fund (Note 4)	—	95,307
Net increase/(decrease) in financing requirements	80,109	(191,198)
Accumulated net expenditure, beginning of year	1,971,936	2,163,134
Accumulated net expenditure, end of year (Statement 1)	$ 2,052,045	$ 1,971,936

(See accompanying notes to the financial statements)

RESOURCE PROTECTION AND DEVELOPMENT REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition of Entity

The Revolving Fund operates under the authority of Section 19 of *The Natural Resources Act*. The purpose of the Revolving Fund is to provide resource protection and development services.

2. Significant Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Expenditure and Note 7. The following accounting policies are considered significant:

a) Net Expenditure/(Recovery)

The net expenditure/(recovery) is the cash flow from/(to) the General Revenue Fund. It represents the total annual financing requirements resulting from net capital acquisitions, working capital changes and net cash flows from operations.

b) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

i) net expenditure/(recovery) for each fiscal year; and

ii) the book value of assets acquired at no charge from another government agency.

c) Inventories

Inventories are valued at the lower of average cost and net realizable value.

d) Revenue recognition

Amounts received under contractual agreements are recognized as revenue in the year in which the related expenses are incurred. Amounts received before expenses are incurred are shown as unearned revenue.

e) Capital Assets

Amortization is calculated on the straight line basis. Annual rates are from 5% to 33% for construction equipment and 8% for radio communication.

3. Authorized Financing

Subsection 19(9) of *The Natural Resources Act* specifies that the maximum accumulated net expenditure which may be outstanding at any time will be set by order of the Lieutenant Governor in Council. A maximum amount of $5,500,000 was established by Order in Council 515/94.

4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Subsection 19(4) of *The Natural Resources Act*, the Minister shall pay to the General Revenue Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Revolving Fund shall be $200,000. Treasury Board has also specified that if at the end of a fiscal year, the accumulated surplus/deficit exceeds the maximum, then any surplus/deficit in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid to/from the General Revenue Fund. In 1999/00 $95,307 surplus was paid to the General Revenue Fund.

However, if any deficit is in fact a subsidy and not a deficit due to business fluctuations, it must be recovered from the General Revenue Fund (Department of Environment and Resource Management's appropriation) in the same year. The Department budgets for a subsidy to the Revolving Fund in the same year that the deficit is expected to occur.

5. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment rental	$ 3,938,712	$ 2,551,701	$ 1,387,011	$ 1,417,945
Radio communications	2,776,678	2,126,330	650,348	553,220
Northern air operations	63,080	8,546	54,534	21,982
	$ 6,778,470	$ 4,686,577	$ 2,091,893	$ 1,993,147

6. Segmented Information

	2001			2000
	Revenues	Expenses	Net Income/ (loss)	Net Income/ (loss)
Radio communications	$ 1,643,422	$ 1,596,465	$ 46,957	$ (21,791)
Equipment rentals	216,385	206,686	9,699	32,929
Staff housing	137,333	251,866	(114,533)	(33,915)
Northern air operations	75,331	76,140	(809)	3,353
Spruce budworm program	2,632	2,632	---	---
Other	223	223	---	3,976
	$ 2,075,326	$ 2,134,012	$ (58,686)	$ (15,448)

7. Net Change in Working Capital Items Related to Operations

	2001	2000
Increase/(decrease) in accounts receivable	30,120	(15,245)
(Decrease)/increase in inventories	(29,806)	(25,681)
Increase/(decrease) in prepaid expenses	1,758	(764)
(Increase)/decrease in accounts payable and accrued liabilities	(82,250)	(50,884)
Decrease/(increase) in unearned revenue	2,855	(2,855)
	$(77,323)	$(95,429)

8. Related Party Transactions

These financial statements include transactions with related parties. The Revolving Fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Revolving Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are settled on normal trade terms. Rates charged by the Revolving Fund for services are calculated to recover costs incurred. These transactions, and amounts outstanding at year end, are as follows:

Category	2001	2000
Revenue	$ 1,896,549	$1,687,058
Expenses	177,693	252,360
Accounts payable and accrued liabilities	30,737	8,158
Accounts receivable	60,344	42,418

In addition, the Revolving Fund pays Provincial Sales tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements.

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by the various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

9. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

10. Financial Instruments

The Revolving Fund's financial instruments include accounts receivable and accounts payable and accrued liabilities. Due to their immediate or short-term nature, the fair value of these instruments approximates their carrying value.

The fair value of the accumulated net expenditure has not been provided because it is not practicable to determine the fair value with sufficient reliability.

11. Amount Reported in Public Accounts

The net (recovery)/expense of the Revolving Fund reported in Public Accounts is the net income/(loss) of the Revolving Fund adjusted for the following differences in accounting policies and other adjustments between the Revolving Fund and the General Revenue Fund:

	2001	2000
Net (loss)/income	$ (58,686)	$ (15,448)
Decrease/(increase) in inventory	29,806	25,681
(Increase)/decrease in net capital assets	(98,746)	206,524
Payment to General Revenue Fund(Note 4)	---	(95,307)
Amounts not included in Public Accounts due to timing	(568)	568
Net (recovery)/expense reported in Public Accounts	$ (128,194)	$ 122,018

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Saskatchewan Correspondence School Revolving Fund as at March 31, 2001 and the statements of operations and accumulated operating surplus/deficit and changes in accumulated net recovery for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Revolving Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
August 31, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

SASKATCHEWAN CORRESPONDENCE SCHOOL REVOLVING FUND
Balance Sheet
As at March 31

ASSETS

	2001	Restated 2000 (Note 12)
Current assets		
Petty cash	$ 225	$ 225
Accounts receivable	126,013	113,984
Inventories	44,684	40,035
Prepaid expenses	1,551	693
	172,473	154,937
Capital assets (Note 6)	73,720	117,703
Accumulated net recovery (Statement 3)	231,665	203,337
	$ 477,858	$ 475,977

LIABILITIES AND EQUITY

	2001	Restated 2000 (Note 12)
Current liabilities		
Accounts payable and accrued liabilities	$ 132,742	$ 56,600
Unearned revenue	366,518	383,281
	499,260	439,881
Fund equity:		
Accumulated operating surplus/(deficit) (Statement 2)	(21,402)	36,096
	$ 477,858	$ 475,977

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN CORRESPONDENCE SCHOOL REVOLVING FUND
Statement of Operations and Accumulated Operating Surplus/Deficit
For the Year Ended March 31

	2001		Restated 2000
	Actual	Budget (Note 10)	Actual (Note 12)
Revenue:			
Sales	$ 240,893	$ 252,700	$ 254,573
Less: Cost of goods sold	123,645	162,000	111,010
Gross profit	117,248	90,700	143,563
Registration fees	109,405	105,000	119,125
Tuition	1,195,722	1,422,836	1,299,997
Other revenue	4,711	3,100	3,291
Total Revenue	1,427,086	1,621,636	1,565,976
Operating expenses:			
Salaries	1,585,286	1,611,499	1,599,656
Marking fees	37,844	100,000	53,140
Computer support and maintenance	115,834	131,800	83,425
Telephone expense	29,196	40,000	34,306
Advertising and printing	23,856	23,500	19,325
Amortization	55,194	80,000	107,418
Office and educational expenses	35,531	31,297	36,012
Postage	80,003	68,000	55,497
Other	16,840	26,800	23,614
Total Expenses	1,979,584	2,112,896	2,012,393
Net income/(loss) from operations	(552,498)	(491,260)	(446,417)
Subsidy from General Revenue Fund	495,000	495,000	495,000
Net income/(loss) (Note 8)	(57,498)	3,740	48,583
Accumulated operating surplus/(deficit), beginning of year	36,096	(10,084)	(12,487)
Accumulated operating surplus/(deficit), end of year - to Statement 1	$ (21,402)	$ (6,344)	$ 36,096

(See accompanying notes to the financial statements)

Statement 3

SASKATCHEWAN CORRESPONDENCE SCHOOL REVOLVING FUND
Statement of Changes in Accumulated Net Recovery
For the Year Ended March 31

	2001	Restated 2000 (Note 12)
Financing (provided by) required for operating activities:		
Net loss/(income)	$ 57,498	$ (48,583)
Items not affecting working capital - Amortization	(55,194)	(107,418)
	2,304	(156,001)
Net increase/(decrease) in working capital items related to operations (Note 7)	(41,843)	33,927
	(39,539)	(122,074)
Financing required for investing activities:		
Purchase of capital assets	11,211	43,058
Net increase/(decrease) in financing requirements	(28,328)	(79,016)
Accumulated net expenditure/(recovery), beginning of year	(203,337)	(124,321)
Accumulated net expenditure/(recovery), end of year - to Statement 1	$ (231,665)	$ (203,337)

(See accompanying notes to the financial statements)

SASKATCHEWAN CORRESPONDENCE SCHOOL REVOLVING FUND
Notes to the Financial Statements
March 31, 2001

1. Authority and Definition of Entity

The Revolving Fund was established April 1, 1990, pursuant to Section 11 of *The Education Act, 1995*. The purpose of the Saskatchewan Correspondence School Revolving Fund is to provide educational services at the high school level, Grades 9-12, to Saskatchewan residents through distance education.

2. Significant Accounting Policies

These financial statements have been prepared using generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Recovery and Note 7. The following accounting policies are considered significant.

a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting.

b) Net Cash Expenditure/(Recovery)

The net cash expenditure/(recovery) is the total cash outflow from/to the General Revenue Fund. It represents the total annual financing requirements resulting from the net capital acquisitions, working capital changes and net cash flows from operations.

c) Accumulated Net Expenditure

The accumulated net expenditure of the Revolving Fund includes the following:

i) Net expenditure/(recovery) for each fiscal year; and

ii) The book value of assets acquired at no charge from another government agency.

d) Capital Assets

Capital assets are recorded at cost. The cost and related accumulated amortization of items retired or disposed of are removed from the records and any gains or losses are included in the statement of operations and accumulated surplus.
Donated equipment is recorded at fair market value.

Amortization is provided on office and audio/visual equipment on a straight-line basis at an annual rate of 20% from the date of acquisition. Computer software and hardware are amortized at an annual rate of 25% from the date of acquisition.

e) Inventory

Inventory is valued at the lower of average cost and net realizable value.

f) Revenue recognition

Revenue from tuition fees is recorded in income as the services are provided.

3. Authorized Financing

Section 11(12) of *The Education Act, 1995* provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. By Order in Council 776/90 the maximum amount has been set at $1,200,000.

4. Accumulated Operating Surplus/Deficit

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated operating surplus/deficit. If the amount falls above or below the limit specified by Treasury Board , management is responsible to present a plan to address the excess surplus/deficit for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding from, the General Revenue Fund. The limit of the Correpondence School Revolving Fund is $100,000.

5. Tuition Fees and Other Related Costs

The Revolving Fund's Correspondence School tuition fees and other related recoverable costs are described in the annual Correspondence School Calendar. These costs and tuition fees are reviewed periodically with the view to operating the Revolving Fund as close to the break even point as possible.

6. Capital Assets

	2001			2000
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Office & audio/visual equipment	$ 20,712	$ 18,065	$ 2,647	$ 1,085
Computer hardware/software	872,539	801,466	71,073	116,618
	$ 893,251	$ 819,531	$ 73,720	$ 117,703

Amortization provided in the financial statements for the current year amounted to $55,194 (2000 - $107,418)

7. Net Change in Working Capital items Related to Operations

	2001	2000
(Decrease)/increase in accounts receivable	$ 12,029	$ (2,327)
(Decrease)/increase in prepaid expenses	858	(3,331)
(Decrease)/increase in inventories	4,649	5,836
Decrease/(increase) in accounts payable	(76,142)	13,349
Decrease in unearned revenue	16,763	20,400
	$ (41,843)	$ 33,927

8. Amount Reported in Public Accounts

The net recovery of the Revolving Fund reported in the Public Accounts is the net income/(loss) of the Revolving Fund adjusted for the following differences in accounting policies and other adjustments between the Revolving Fund and the General Revenue Fund:

	2001	2000
Net income/(loss)	$ (57,498)	$ 48,583
(Increase)/decrease in inventory balance	(4,649)	(5,836)
(Increase)/decrease in net capital assets	43,983	64,360
Amounts not included in Public Accounts, due to timing	(15,714)	(69,775)
(Net financing requirement)/recovery, reported in the Public Accounts	$ (33,878)	$ 37,332

9. Related Parties

These financial statements include transactions with related parties. The Revolving Fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Revolving Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. These transactions are as follows:

	2001	2000
Telephone	$ 29,196	$ 34,306
Postage	80,003	55,497

Other transactions with related parties and amounts due to/from them are described separately in the financial statements.

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision is reflected in these financial statements.

10. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

11. Financial Instruments

The Revolving Fund's financial instruments include accounts receivable and accounts payable. Due to their immediate or short-term nature, the fair value of these instruments approximates the carrying value.

The fair value of the accumulated net expenditure has been omitted because it is not practicable to determine the fair value with sufficient reliability.

12. Restatement of Prior Year's Results

The comparative figures for the 2000 year have been restated to record unearned revenue that was previously unrecorded. The unearned revenue consists of tuition fees, which will be recognized as revenue when the services are provided. The effect of the restatement is as follows:

	2001	2000
Increase in unearned revenue	$ -	$ 383,281
Increase in tuition revenue	-	20,400
Decrease in accumulated net expenditure beginning of the year	(403,681)	(403,681)
Increase in accumulated operating surplus beginning of the year	20,400	-

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Saskatchewan Learning Resources Distribution Centre Revolving Fund as at March 31, 2001 and the statements of operations and accumulated operating surplus/deficit, and changes in accumulated net expenditure for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Revolving Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 29, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

SASKATCHEWAN LEARNING RESOURCES DISTRIBUTION CENTRE REVOLVING FUND
BALANCE SHEET
As at March 31

ASSETS

	2001	2000
Current assets:		
Petty cash	$ 2,100	$ 2,100
Accounts receivable	243,291	229,023
Prepaid expenses	3,277	2,558
Inventories	1,883,579	2,234,111
	2,132,247	2,467,792
Capital assets (Note 5)	142,332	247,760
	$ 2,274,579	$ 2,715,552

LIABILITIES AND EQUITY

	2001	2000
Current liabilities:		
Accounts payable and accrued liabilities	$ 52,889	$ 29,433
Customers' deposits and credits	60,159	7,282
	113,048	36,715
Non-current liabilities:		
Accumulated net expenditure (Statement 3)	2,714,728	3,154,042
Fund equity:		
Accumulated operating surplus/(deficit) (Statement 2)	(553,197)	(475,205)
	$ 2,274,579	$ 2,715,552

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN LEARNING RESOURCES DISTRIBUTION CENTRE REVOLVING FUND
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS/DEFICIT
For the Year Ended March 31

	2001 Actual	2001 Budget (Note 10)	2000 Actual
Revenue:			
Sales	$3,044,600	$3,200,000	$3,021,018
Less: Cost of goods sold	2,784,749	2,752,000	2,824,486
Gross profit	259,851	448,000	196,532
Refund of previous year's expenditure	-	-	658
Other income	71	30	207
WCP Project revenue (Note 12)	129,192	235,000	211,693
	389,114	683,030	409,090
Operating expenses:			
Salaries	389,938	365,000	374,312
Amortization	115,832	100,000	112,226
Postage	58,838	52,000	45,698
Office and warehouse expense	36,680	45,000	30,848
Computer support and maintenance	54,086	50,000	41,480
Freight and express out	3,263	10,000	6,700
Other	12,025	14,300	12,464
WCP Project expenses (Note 12)			
Salaries	36,217	85,000	81,110
Audio-visual equip.,off.equip.rental,etc	22,233	45,000	31,353
Building rental	50,315	60,000	50,495
Office expense, etc.	12,884	45,000	26,331
	792,311	871,300	813,017
Net income/(loss) from operations	(403,197)	(188,270)	(403,927)
Recovery from General Revenue Fund (Note 4)	325,205	179,193	-
Net income/(loss) (Note 13)	(77,992)	(9,077)	(403,927)
Accumulated operating surplus/(deficit) beginning of year	(475,205)	(329,193)	(71,278)
Accumulated operating surplus/(deficit) end of year - to Statement 1	$ (553,197)	$ (338,270)	$ (475,205)

(See accompanying notes to the financial statements)

Statement 3

SASKATCHEWAN LEARNING RESOURCES DISTRIBUTION CENTRE REVOLVING FUND
STATEMENT OF CHANGES IN ACCUMULATED NET EXPENDITURE
For the Year Ended March 31

	2001	2000
Financing (provided by) required for operating activities:		
Net (income)/loss	$ 77,992	$ 403,927
Items not affecting working capital:		
Amortization	(115,832)	(112,226)
Net increase/(decrease) in working capital items related to operations (Note 7)	(413,102)	(209,476)
	(450,942)	82,225
Financing required for investing activities		
Purchase of capital assets	10,404	22,317
Net increase/(decrease) in financing requirements	(440,538)	104,542
Assets transferred to Revolving fund at no cost during year (Note 9)	1,224	461
Accumulated net expenditure, beginning of year	3,154,042	3,049,039
Accumulated net expenditure, end of year - to Statement 1	$ 2,714,728	$ 3,154,042

(See accompanying notes to the financial statements)

SASKATCHEWAN LEARNING RESOURCES DISTRIBUTION CENTRE REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition of Entity

The authority for this Revolving Fund is contained in section 10(4) of *The Education Act, 1995. The Education Act, 1995* was amended to change the name of the Saskatchewan Book Bureau Revolving Fund to the Saskatchewan Learning Resources Distribution Centre Revolving Fund (LRDC). The purpose of the Saskatchewan Learning Resources Distribution Centre Revolving Fund is to finance and to provide a system of accounting for the purchase, sale and distribution of such school textbooks, workbooks, reference textbooks, related print and non-print materials as recommended by the Department of Education for use in Saskatchewan schools, and to serve as distributor and sales agent for publications and materials of the Department of Education.

2. Significant Accounting Policies

The financial statements are prepared using generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the statement of changes in Accumulated Net Expenditure and Note 7. The following accounting policies are considered significant:

a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting.

b) Net Cash Expenditure/(Recovery)

The net cash expenditure/(recovery) is the cash from /(to) the General Revenue Fund. It represents the total annual financing requirements resulting from net capital acquisitions, working capital changes and net cash flows from operations.

c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

i) Amounts due to the Minister of Finance as at March 31, 1982, and assumed by the Revolving Fund in respect of working capital advances.

ii) Net cash expenditure/(recovery) for each fiscal year; and

iii) The book value of assets acquired at no cost from another government agency.

d) Amortization

Amortization is provided on office and warehouse equipment on a straight-line basis at an annual rate of 10% of acquisition value. Computer software costs are amortized at an annual rate of 25% from the date the software becomes operational. Computer equipment is amortized on a straight-line basis at an annual rate of 25% of acquisition value.

e) Inventory Valuation

Inventory is valued at the lower of average cost and net realizable value.

f) Pricing Policy

The Revolving Fund's sales catalogue of books and educational materials and the retail list prices of the items therein are revised periodically by the management with a view to operating the Revolving Fund as close to the break even point as possible. For the 1997 to 2001 years, the retail list price of publications was based on invoice cost plus up to 16.5%.

3. Authorized Financing

Section 10(10) of *The Education Act, 1995* provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. By Order in Council 11/85, the maximum amount has been set at $4,000,000.

4. Accumulated Operating Surplus/Deficit

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated operating surplus/deficit. If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus/deficit for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding from, the General Revenue Fund. The limit of the Learning Resources Distribution Centre Revolving Fund is $150,000.

5. Capital Assets

	2001			2000
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Office Equipment	$ 4,553	$ 4,546	$ 7	$ 74
Warehouse Equipment	66,679	54,201	12,478	17,097
Computer Software	271,431	266,145	5,286	5,203
Computer Equipment	440,659	316,098	124,561	225,386
	$ 783,322	$ 640,990	$ 142,332	$ 247,760

Amortization provided in the financial statements for the current year amounted to $115,832 (2000 - $112,226).

6. Costs Borne by Other Agencies

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

7. Net Change in Working Capital Items Related to Operations

	2001	2000
Increase/(Decrease) in accounts receivable	$ 14,268	$ (69,269)
Increase/(Decrease) in prepaid expenses	719	(1,219)
(Decrease) in inventories	(351,756)	(200,262)
(Increase)/Decrease in accounts payable	(23,456)	48,517
(Increase)/Decrease in customers' deposits	(52,877)	12,757
	$ (413,102)	$ (209,476)

8. Related Parties

These financial statements include transactions with related parties. The LRDC Revolving Fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards, and commissions under the common control of the Government of Saskatchewan. Also, the Revolving Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

9. Transfer of Inventory

The Department of Education transferred inventory items valued at $1,224 (2000 - $461) to the Revolving Fund at no cost.

10. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

11. Financial Instruments

The Revolving Fund's financial instruments include accounts receivable, accounts payable and accrued liabilities, and customers' deposits and credits. Due to their immediate or short-term nature, the fair value of these instruments approximates the carrying value.

The fair value of the accumulated net expenditure has been omitted because it is not practicable to determine the fair value with sufficient reliability.

12. Western Canadian Protocol Project

Western Canadian Protocol for Collaboration in Basic Education -- Manitoba Education and Training has contracted Saskatchewan Education to provide a staffed facility and related services for the evaluation of learning resources that support the curriculum framework developed by this collaboration.

13. Amount Reported in Public Accounts

The net financing requirement of the Revolving Fund reported in the Public Accounts is the net income/(loss) of the Revolving Fund adjusted for the following differences in accounting policies and other adjustments between the Revolving fund and the General Revenue Fund:

	2001	2000
Net income/(loss)	$ (77,992)	$ (403,927)
Decrease in inventory balance	350,532	199,801
Decrease in net capital assets	105,428	89,910
Amounts not included in Public Accounts, due to timing	(4,689)	64,973
Recovery/(Net financing requirement), reported in the Public Accounts	$ 373,279	$ (49,243)

AUDITORS' REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the balance sheet of **Agricultural Credit Corporation of Saskatchewan** as at March 31, 2001 and the statements of operations and surplus and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Regina, Saskatchewan
April 26, 2001

BALANCE SHEET

	March 31	
	2001	2000
	(In thousands)	
Assets		
Cash and short term investments	$ 3,216	$ 11,003
Accounts receivable	307	70
Loans receivable *(Notes 3, 4 & 5)*	50,049	64,299
Assets held for resale *(Notes 5 & 6)*	9,667	10,989
Capital assets *(Note 7)*	-	296
Prepaid and deferred costs	-	152
	$ 63,239	$ 86,809
Liabilities		
Interest and other accrued payables	$ 2,645	$ 7,845
Unexpended grants payable *(Schedule 2)*	254	269
Long-term debt *(Note 8)*	59,835	77,894
	62,734	86,008
Equity		
Equity in capital assets *(Note 7)*	-	296
Accumulated surplus	505	505
	505	801
	$ 63,239	$ 86,809

Contingencies and commitments *(Note 10)*

The accompanying notes are an integral part of the financial statements.

STATEMENT OF OPERATIONS AND SURPLUS

For the year ended March 31

	Budget 2001 (unaudited) *(Note 14)*	Actual 2001	Actual 2000
	(In thousands)		
Interest and dividend income *(Note 9)*			
Loans receivable	$ 8,342	$ 8,387	$ 11,089
Sinking fund and short-term investments	5,623	7,461	6,404
	13,965	15,848	17,493
Interest expense			
Long-term debt	23,465	23,465	29,143
Net interest expense	9,500	7,617	11,650
Provision for losses *(Note 5)*	-	632	(1,050)
Administrative expenses *(Schedule 1)*	2,595	2,601	5,510
Other income	(321)	(303)	(496)
Loss before grants	11,774	10,547	15,614
Grants *(Schedule 2)*	11,774	10,801	15,883
Surplus before unexpended grants repayable	-	254	269
Unexpended grants repayable *(Schedule 2)*	-	(254)	(269)
Surplus for the year	-	-	-
Surplus - Beginning of year	505	505	505
Surplus - End of year	$ 505	$ 505	$ 505

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS

For the year ended March 31

	2001	2000
	(In thousands)	
Cash provided by (used in):		
Operating activities		
Change in working capital other than cash *(Note 12)*	$ (1,296)	$ 2,463
Principal payments received	12,688	21,439
(Increase) decrease in accounts receivable	(237)	3,048
Decrease in unexpended grant repayable	(15)	(36)
Decrease in other operating activities	(868)	(88)
	11,568	24,363
	10,272	26,826
Financing activities		
Decrease in long-term debt	(18,059)	(16,285)
Net (decrease) increase in cash	(7,787)	10,541
Cash and other equivalents - Beginning of the year	11,003	462
Cash and other equivalents - End of the year	$ 3,216	$ 11,003

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2001

1. Status of the Corporation

The Agricultural Credit Corporation of Saskatchewan (ACS) is a Corporation that acts as an agent of the Government of Saskatchewan and provided financial assistance to encourage and promote the development and expansion of the agricultural industry in the Province. On March 28, 1996, the Government of Saskatchewan announced that ACS will be wound up. During the current fiscal year, all ACS employees and remaining capital assets were transferred to Saskatchewan Agriculture and Food. ACS still is responsible for collection of the loan funds, monitoring loan collectibility and retirement of their debt.

2. Significant accounting policies

a) Under Section 29 of The Agricultural Credit Corporation of Saskatchewan Act, the Minister of Agriculture and Food may make grants to the Corporation out of monies appropriated by the Legislature. Grants may be provided for the payment of administration costs, for the payment of interest on funds borrowed, to defray losses on loans not repaid and for other purposes that may be determined by the Minister. Grant funds received for the fiscal year are for specific purposes. Any excess funds received for the fiscal year and not expended on each specific purpose are reported on the Balance sheet as Unexpended grants repayable.

   New expenditures incurred in a fiscal year which exceed the grant provided for that purpose are reported as a deficit for the year and may be recovered from the grant to be received for that purpose in a subsequent year.

b) Amounts recovered from customers for capital grants paid to them in prior years and amounts recovered for guarantees paid under discontinued programs are retained by the Corporation and are reported as surplus.

c) Discounts and expenses relating to the issuance of debt are amortized on a straight-line basis over the life of the debt and are included in Interest expense on long-term debt. The unamortized costs are carried on the Balance Sheet in Prepaid and deferred costs.

d) The allowance for losses represents management's estimate of possible losses on loans and debentures outstanding at the end of the fiscal year. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the allowance for losses. This allowance has been based, in general, upon an estimate derived from a sample of outstanding loans and, in part, on a review of existing impaired loans.

e) The Corporation records, as assets held for resale, the fair market value, at the date of acquisition, of assets acquired through settlement, quit claim or foreclosure. These asset values are adjusted annually for carrying costs and for the income or loss from any operations associated with the assets. The provision for losses represents management's estimate of possible losses on assets held for resale.

3. *Loan programs*

a) Capital loan program

Loans are repayable over terms not exceeding 25 years and bear interest at rates between 6% and 13.5%. Security on the loans varies and may include mortgages on real property, security agreements and guarantees.

b) Investment loan program

Investment loans bear interest at rates between 8.5% and 10.5% and are repayable over terms not exceeding 25 years. Security on the loans varies and may include mortgages on real property, security agreements and guarantees.

c) Production loan program

Production loans were disbursed in 1986 to provide farmers, bee colony owners, potato producers and greenhouse operators with loans bearing interest at 6%, repayable in equal principal instalments over a term of three years. Amounts in arrears are at prime plus 2%. Amendments to the program allowed the borrowers to reschedule their outstanding loans to mature in 1997. Subsequently, some loans were rewritten with longer terms to assist borrowers to repay their loans. These amended loans bear interest at an average rate of 9%.

The loans are secured by promissory notes, and where applicable, by guarantees and general security agreements.

d) Livestock cash advance program

Effective August 1, 1993, customers with Livestock cash advances began repaying the loans, bearing interest at the bank prime rate plus 2% over a maximum five year period. Subsequently, some loans were rewritten with longer terms to assist borrowers to repay their loans. These amended loans bear interest at an average rate of 9%.

The loans are secured by promissory notes, and where applicable, by guarantees.

e) Spring seeding loan program

During the 1992 fiscal year, the Corporation paid out $48.6 million to honour guarantees on loans granted by financial institutions under the Spring seeding loan program. The loans bear interest at prime plus 2%.

The loans are secured by promissory notes and, where applicable, by guarantees and general security agreements.

f) Counselling and assistance for farmers program

Effective August 1, 1992, ACS assumed responsibility for loans and guarantees, which were outstanding under the Counselling and assistance for farmers program. New guarantees were not issued under this program by the Corporation. The existing guarantees had been renewed until March 31, 1995 at which time the program was terminated.

The majority of the loans under this program are in default, had judgements obtained on them and bear interest at 5%.

The loans are secured by way of an assignment of security from the original lender.

g) Other loans

The Corporation is continuing collection of cash advances made to cattle producers up to March 31, 1980 under Part VI, VII, VIII of the Regulations under The Agricultural Incentives Act.

The loans are secured by promissory notes.

4. *Loans receivable*

	2001			2000		
	Gross	Allowance	Net	Gross	Allowance	Net
			(In thousands)			
Capital loans	$ 79,552	$ 32,066	$ 47,486	$ 92,687	$ 31,904	$ 60,783
Investment loans	694	69	625	940	312	628
Production loans	2,526	1,297	1,229	3,254	1,653	1,601
Livestock cash advances	1,517	845	672	2,324	1,097	1,227
Spring seeding loans	54	17	37	78	18	60
Counselling and assistance for farmers loans	1,832	1,832	-	2,149	2,149	-
Other loans	1	1	-	2	2	-
	$ 86,176	$ 36,127	$ 50,049	$ 101,434	$ 37,135	$ 64,299

During the year a number of the Corporation's customers refinanced their Production loans, Livestock cash advances, Spring seeding loans and Counselling and assistance for farmers loans under the Capital loan program.

5. *Allowance for losses*

	Loans	Assets held for resale	2001	2000
			(In thousands)	
Balance - Beginning of year	$ 37,135	$ 3,420	$ 40,555	$ 47,209
Provision for losses	1,223	(591)	632	(1,050)
Losses, write-offs and recoveries	(2,231)	(34)	(2,265)	(5,604)
Balance - End of the year	$ 36,127	$ 2,795	$ 38,922	$ 40,555

The allowance for loan losses for Capital loans, Production loans, Livestock cash advances, Spring seeding loans, Counselling and assistance for farmers loans and Other loans is funded by a grant from Province of Saskatchewan, Department of Agriculture and Food.

6. *Assets held for resale*

	2001	2000
	(In thousands)	
Cost	$ 12,462	$ 14,409
Allowance for losses	(2,795)	(3,420)
	$ 9,667	$ 10,989

7. *Capital assets and equity in capital assets*

	2001	2000
	(In thousands)	
Cost	$ -	$ 3,359
Accumulated depreciation	-	(3,063)
	$ -	$ 296

8. *Borrowing*

Sections 17 and 19 of The Agricultural Credit Corporation of Saskatchewan Act allows the Corporation to borrow, with the approval of the Lieutenant Governor in Council, monies from various sources as it deems necessary for its purposes. Section 22 restricts total borrowing by the Corporation to $2,000,000,000.

a) Long-term debt

All long-term debt is repayable to the Province of Saskatchewan General Revenue Fund. Interest is payable semi-annually with principal due at maturity.

The weighted average interest rates of this debt follows:

Year of Maturity	2001 Amount Due	2001 Weighted Average Interest Rate	2000 Amount Due	2000 Weighted Average Interest Rate
	(In thousands)			
Debentures				
2001	$ -	-	$ 28,600	12.36%
2002	33,000	15.75%	33,000	15.75%
2003	20,434	15.89%	20,434	15.89%
2004	13,517	11.59%	13,517	11.59%
	66,951	14.9%	95,551	13.52%
Bonds				
2001	-	-	140,000	11.00%
	66,951	14.9%	235,551	12.02%
Less: Equity in sinking fund	7,116		157,657	
	$ 59,835		$ 77,894	

A sinking fund was established in 1996-1997 to provide payment of the bonds and debentures as they mature. The sinking fund is with the Department of Finance.

9. *Interest income*

Interest income and dividend income

	2001	2000
	(In thousands)	
Loans receivable	$ 8,341	$ 10,235
Reduction of interest allowance on impaired loans	46	854
Short-term investments	357	318
Sinking fund investments	7,104	6,086
	$ 15,848	$ 17,493

10. Guaranteed loans under The Agricultural Credit Corporation of Saskatchewan Act

Guarantees may be provided by the Corporation to vendors under the Guaranteed vendor mortgage program for the sale of farm land and existing improvements. The guarantees are for 100% of the principal amount outstanding. The contingent liability of the Corporation for guaranteed vendor mortgages outstanding at March 31, 2001 was $453,707 (2000 - $536,000).

11. Related party transactions

Included in these financial statements are income and expense amounts resulting from routine operating transactions with various Saskatchewan crown-controlled departments, agencies and corporations with which the Corporation is related. Transactions with these parties are recorded at what management believes are normal market prices. Account balances from these transactions are included in the Balance sheet and are settled on normal trade terms. Other transactions and amounts due to and from related parties and the terms of settlement are described separately in the financial statements and notes thereto.

Included in accounts receivable at March 31, 2001 is $276,500 (2000 - $nil) from Saskatchewan Agriculture and Food to fund administration expenses. As well, at March 31, 2001, the Corporation owes $2,422,134 (2000 - $6,906,000) (included with interest and other accrued payables) to the Province of Saskatchewan General Revenue Fund for interest on long-term debt. In addition, included in cash and short-term investments is $3,173,320 (2000 - $10,944,000) of short-term investments held with the Department of Finance.

During the year, the Corporation paid $49,130 (2000 - $425,000) to Saskatchewan Property Management Corporation.

In addition, the Corporation also paid $416,519 (2000 - $716,905) to other related parties at normal trade terms.

The expenses paid to the related parties were included with the total Administration expenses.

During the year the Corporation was responsible for collection of inactive accounts on behalf of Saskatchewan Crop Insurance Corporation (SCIC) and Lands Branch. For these services, a commission of $181,008 (2000 - $258,153) was received from SCIC and is included in other income.

Effective January 1, 2001, all administration expenses for the Company are paid for by Saskatchewan Agriculture and Food. These costs amounted to $382,192.

12. Change in working capital other than cash

	2001	2000
	(In thousands)	
Decrease in accrued interest on loans receivable	$ 644	$ 1,628
Decrease in accrued interest on debt payable	(4,485)	-
Provision for losses	632	(1,050)
Increase in other non-cash items	1,913	1,885
	$ (1,296)	$ 2,463

13. *Financial instruments*

Fair values

Estimated fair value approximates amounts at which financial instruments could be exchanged in an arm's length transaction between willing parties who are under no compulsion to act. Many of the Corporation's financial instruments lack an available trading market, so fair values are based on estimates using present value techniques which are affected by assumptions concerning the timing of future cash flows and discount rates. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Corporation has determined the fair value of its financial instruments as follows:

a) Cash, short-term investments, accounts receivable, interest and other accrued payables:

The carrying amount on the balance sheet approximates fair value because of the short-term nature of these instruments.

b) Loans receivable:

Fair value was not established for the loan portfolio due to there being no established market for the developmental loans made by the Corporation. With no available market information and the diverse nature of the loan portfolio it was not deemed practicable to determine the fair value with sufficient reliability.

c) Notes payable and debentures payable:

The estimated fair values for all long-term debt obligations and the sinking fund are estimated using discounted cash flow analysis based on current incremental borrowing rates for similar borrowing arrangements. The estimated fair values of these financial instruments may not represent the amounts that could be realized upon settlement.

The estimated fair values of the Corporation's debt instruments are as follows:

	2001		2000	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
	(in thousands)			
Debentures payable	$ 66,951	$ 72,897	$ 95,551	$ 105,049
Bonds payable	-	-	140,000	142,569
Sinking fund	(7,116)	(7,116)	(157,657)	(156,770)
	$ 59,835	$ 65,781	$ 77,894	$ 90,848

Credit risk management

Credit risk arises from potential for borrowers to default on their contractual loan obligations. Credit exposure on the Corporation's loan portfolio is managed through appropriate due diligence and account administration. To minimize the credit risk associated with the loans the Corporation requires security agreements and personal guarantees on all loans.

Interest rate risk management

The Corporation manages interest rate risk by borrowing long-term debt through the Province of Saskatchewan General Revenue Fund at fixed interest rates and terms designated to match the average terms of the Corporation's loan portfolio.

14. *Budget figures*

The Budget figures are presented for comparison purposes, are unaudited, and are those approved by the Board, reclassified to conform with the presentation of these financial statements.

SCHEDULE 1
For year ended March 31

Administrative Expenses	2001	2000
	(In thousands)	
Telephone, postage and courier	$ 78	$ 126
Legal and registration fees	140	285
Management information systems	37	164
Office occupancy	-	397
Professional services	99	108
Salaries and benefits	1,567	3,349
Severance costs due to wind up	503	786
Supplies and office equipment	8	81
Travel and sustenance	169	214
	$ 2,601	$ 5,510

As described in Note 2a, the following table summarizes grant activity for the year ended March 31, 2001.

SCHEDULE 2
Grants from Province of Saskatchewan - Department of Agriculture and Food

(in thousands)

	Administration	Interest Subsidy	Loan Losses & Guarantees	Counselling & Assistance for Farmers	2001 Total	2000 Total
Appropriation approved	$ 2,274	$ 9,500	$ -	$ -	$ 11,774	$ 16,533
Appropriation not required	277	(1,250)	-	-	(973)	(650)
Grant proceeds available	2,551	8,250	-	-	10,801	15,883
Expenditures						
Administration	$ 2,601	$ -	$ -	$ -	$ 2,601	5,510
Interest	-	23,465	-	-	23,465	29,143
Provision for losses	-	-	898	(266)	632	(1,050)
Less						
Interest income	-	(15,756)	-	(92)	(15,848)	(17,493)
Other income	(303)	-	-	-	(303)	(496)
Net expenditure (revenue)	2,298	7,709	898	(358)	10,547	15,614
	$ 253	$ 541	$ (898)	$ 358	$ 254	$ 269

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Agricultural Implements Board as at March 31, 2001 and the statements of revenue, expenditure and net financial assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
May 7, 2001

Statement 1

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
FINANCIAL ASSETS		
Due from General Revenue Fund (Note 3)	$ 141,745	$ 134,787
Accrued interest receivable	1,914	1,699
	143,659	136,486
LIABILITIES		
Accounts payable	1,848	---
Net Financial Assets (Statement 2)	$ 141,811	$ 136,486

(See accompanying notes to the financial statements)

Statement 2

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF REVENUE, EXPENDITURE AND NET FINANCIAL ASSETS
Year Ended March 31

	2001	2000
Revenue:		
Assessment levies	$ 2,975	$ 2,825
Interest income	7,896	6,380
	10,871	9,205
Expenditure:		
Compensation payments	4,185	---
Investigations and hearings	1,361	816
	5,546	816
Surplus (deficit) for the year	5,325	8,389
Net Financial Assets, beginning of year	136,486	128,097
Net Financial Assets, end of year - to Statement 1	$ 141,811	$ 136,486

(See accompanying notes to the financial statements)

Statement 3

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF CASH FLOWS
Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash receipts from distributors	$ 2,975	$ 2,825
Cash paid to claimants and employees	(3,699)	(816)
Interest received	7,682	6,277
Net increase (decrease) in cash position	6,958	8,286
Due from General Revenue Fund, beginning of year	134,787	126,501
Due from General Revenue Fund, end of year	$ 141,745	$ 134,787

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Accounts Receivable, Accounts Payable

The carrying value of accounts receivable and accounts payable approximates fair value.

c) Due from General Revenue Fund

The amount due from the General Revenue Fund is interest bearing as described in Note 3. The carrying value approximates fair value.

2. Authority

The Agricultural Implements Board is continued under *The Agricultural Implements Act*. Under this Act, a fund known as the Agricultural Implements Compensation Fund, through which all transactions reflected in these statements are conducted, is continued:

a) to pay compensation to farmers;

b) to defray the expenses of investigating and hearing claims for compensation under this Act; and

c) to maintain a reserve fund to pay compensation that may become payable in the future.

3. Due from General Revenue Fund

The Agricultural Implements Board's bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate (2001 average rate – 5.59%; 2000 average rate – 4.79%) and the Agricultural Implements Board's average daily bank account balance.

4. Costs Borne by Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Board by virtue of common control by the Government of Saskatchewan.

The investigation and hearing expenditures of $1,361 (2000 - $816) were paid to the Department of Justice.

Salary and administration costs other than those in respect of investigations and hearings have been absorbed by various departmental appropriations and are therefore not reflected in these financial statements.

Other transactions with related parties and amounts due to or from them are described separately in these financial statements and the notes hereto.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Agri-Food Equity Fund as at March 31, 2001 and the statements of revenue, expenditure and net financial assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
October 16, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

AGRI-FOOD EQUITY FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
FINANCIAL ASSETS		
Due from General Revenue Fund (Note 3)	$ 2,278,439	$ 975,640
Accounts receivable	48,056	12,048
Accrued interest and dividends receivable	220,041	54,760
Due from Department of Agriculture and Food (Note 9)	6,150,000	3,150,000
Investments (Note 4)	11,656,010	9,373,574
	$ 20,352,546	$ 13,566,022
LIABILITIES		
Loan payable (Note 8)	$ 17,824,557	$ 11,969,557
Net financial assets (Statement 2)	$ 2,527,989	$ 1,596,465

(See accompanying notes to the financial statements)

Statement 2

AGRI-FOOD EQUITY FUND
STATEMENT OF REVENUE, EXPENDITURE AND NET FINANCIAL ASSETS
Year Ended March 31

	Budget 2001	2001	2000
Revenue			
Grants from the Department of Agriculture and Food	$ 3,000,000	$ 3,000,000	$ ---
Interest and dividends	540,000	475,219	215,398
Gain on sale of investment	---	---	18,240
Administration fee	2,000	3,000	1,510
	3,542,000	3,478,219	235,148
Expenditure			
Provision for investment loss	3,000,000	2,546,695	1,142,960
Surplus (deficit) for the year	$ 542,000	931,524	(907,812)
Net financial assets (deficiency), beginning of year		1,596,465	2,504,277
Net financial assets, end of year - to Statement 1		$ 2,527,989	$ 1,596,465

(See accompanying notes to the financial statements)

Statement 3

AGRI-FOOD EQUITY FUND
STATEMENT OF CASH FLOWS
Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash receipts from clients	$ 3,000	$ 2,884
Interest received from General Revenue Fund	87,560	29,466
Interest received from investments	137,167	164,134
Dividends received from investments	49,203	48,676
Cash paid to suppliers	---	(842)
	276,930	244,318
Cash flows from financing activities:		
Advances from the General Revenue Fund	5,855,000	2,206,476
Cash flows from investing activities:		
Investments in Saskatchewan agriculture enterprises	(5,855,000)	(2,206,476)
Redemptions of investments	1,025,869	316,400
	(4,829,131)	(1,890,076)
Net increase in cash and cash equivalents	1,302,799	560,718
Cash and cash equivalents, beginning of year	975,640	414,922
Cash and cash equivalents, end of year	$ 2,278,439	$ 975,640

(See accompanying notes to the financial statements)

AGRI-FOOD EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition

The Agri-Food Equity Fund (Fund) operates pursuant to Section 17.2 of *The Department of Agriculture and Food Act* (Act) to promote and develop agriculture diversification in Saskatchewan. The Fund originated in 1994 as a division of the Agricultural Credit Corporation of Saskatchewan (ACS). The transfer of authority for the Fund to the Department of Agriculture and Food was effective September 22, 1997 by Order in Council 625/1997.

The Fund's mandate is to finance enterprises that promote the creation and expansion of agricultural enterprises in Saskatchewan. Investments may take the form of secured bonds, secured debentures and equity of the enterprise. Pursuant to regulations under the Act, the Fund is restricted to a maximum 49% investment in an enterprise's long-term debt or equity, up to $1 million unless authorized by the Minister. The total of all investments made by the Fund is limited to $35 million by the year 2003.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting principles are considered significant.

a) Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue Recognition

Interest and dividend revenue is recognized as follows:

i) When there is reasonable assurance of ultimate collection, revenue is recognized when earned.
ii) When there is uncertainty as to ultimate collection, revenue is recognized when received.

Grants from the Department of Agriculture and Food are recognized as revenue when they are received/receivable.

c) Investments

Investments are accounted for at cost.

d) Provision for Investment Loss

The provision for investment loss represents management's estimate of likely losses based upon an individual review of the investments. It is possible that changes in future conditions in the near term could require a material change in the provision.

3. Due from General Revenue Fund

The Fund's bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate (2001 average rate – 5.59%; 2000 average rate 4.79%) and the Fund's average daily bank account balance.

4. Investments

Investments are comprised as follows:	2001	2000
Loans and debentures	$ 9,173,436	$ 7,357,225
Common shares	4,009,681	3,159,681
Preferred shares	4,874,801	2,757,881
	18,057,918	13,274,787
Less: provision for investment loss	(6,401,908)	(3,901,213)
	$ 11,656,010	$ 9,373,574

Investments include interest-bearing instruments at rates ranging from 6% to 15% with maturities extending to the year 2007. Investments also include $1.32 million (2000 – $1.2 million) in participating debentures. The profitability of the investee determines the repayment of principal and interest on the participating investments.

5. Financial Instruments

The Fund has determined the fair value of its financial instruments as follows:

a) Due from General Revenue Fund, Due from Department of Agriculture and Food, accounts receivable, accrued interest and dividends receivable, and loan payable:

The carrying amounts on the statement of financial position approximate their fair value due to the short-term nature of these instruments.

b) Investments:

It is not practicable to determine fair values for the investment portfolio due to the lack of a market for these investments. An attempt to determine fair values would not be sufficiently reliable.

6. Credit and Investment Risk

Credit risk is inherent in lending and investment activities. The Fund is exposed to the types of credit risk which are typical for any lending institution. However, the Fund operates in an environment of higher risk than the banking sector or other traditional financing institutions. This is, in part, because the Fund has a mandate to promote, encourage or contribute to the development of agriculture in Saskatchewan, which involves support for start-up operations, new companies' products at the commercialization stage, and expansions. The Fund also makes equity investments which, by definition, carry a higher risk. The Fund's risk spectrum is comparable to private venture capital.

7. Commitments

At year-end, the Fund had approved but not yet disbursed investments of $2.4 million (2000 - $2.5 million).

8. Loan Payable

The Fund borrows from the General Revenue Fund to fulfil its mandate. The loan is non-interest bearing with no fixed terms of repayment and is limited to a maximum of $35 million.

9. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related since they are all controlled by the Government. These financial statements include transactions with other Government agencies.

Financial assets include a grant receivable of $6,150,000 (2000 - $3,150,000) due from the Department of Agriculture and Food.

The Fund received use of office space and administrative services from the Department of Agriculture and Food without charge.

Other amounts due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Agri-Food Innovation Fund as at March 31, 2001 and the statements of revenue, expenditure and net financial assets and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Fund received transfers from the General Revenue Fund under a shared-cost agreement with the federal government. The Fund recorded these transfers as revenue in the year they were received. However, transfers under shared-cost agreements should be recorded as revenue when the related eligible expenditures are incurred. Any transfers received in advance should be recorded as deferred revenue. Had the Fund properly recorded these transfers, deferred revenue would have increased and net financial assets at the end of the year would have decreased by $8,380,000 (2000 – $8,380,000).

In my opinion, except for the effects of the failure to properly record the transfers as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 11, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

AGRI-FOOD INNOVATION FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
FINANCIAL ASSETS		
Due from General Revenue Fund (Notes 3 & 4)	$ 13,980,248	$ 16,012,341
Interest receivable (Notes 3 & 4)	192,586	212,461
Accounts receivable	212,007	---
Prepaid expenditure	2,624,140	4,550,154
	17,008,981	20,774,956
LIABILITIES		
Accounts payable	2,743,565	2,584,180
Deferred revenue	581,655	5,388,160
	3,325,220	7,972,340
NET FINANCIAL ASSETS (Statement 2)	$ 13,683,761	$ 12,802,616

(See accompanying notes to the financial statements)

Statement 2

AGRI-FOOD INNOVATION FUND
STATEMENT OF REVENUE, EXPENDITURE AND NET FINANCIAL ASSETS
Year Ended March 31

	2001	2000
Revenue		
Government of Canada (Note 6)	$ 12,403,794	$ 17,747,439
Interest revenue (Note 4)	731,146	596,771
Government of Saskatchewan		
- General Revenue Fund (Note 3)	150,000	---
Miscellaneous	18,349	14,611
Total revenue	13,303,289	18,358,821
Expenditure		
Contractual services - Strategic Projects	12,181,244	17,483,940
Board expenditures	40,497	7,644
Office supplies	21,315	25,082
Communication activities	179,088	245,384
Total expenditure (Schedule 1)	12,422,144	17,762,050
Surplus for the year	881,145	596,771
Net financial assets, beginning of year	12,802,616	12,205,845
Net financial assets, end of year - to Statement 1	$ 13,683,761	$ 12,802,616

(See accompanying notes to the financial statements)

Statement 3

AGRI-FOOD INNOVATION FUND
STATEMENT OF CASH FLOWS
Year Ended March 31

	2001	2000
Cash Flows from operating activities:		
Cash receipts from the Government of Canada	$ 4,178,232	$ 5,657,760
Cash receipts from the General Revenue Fund	---	5,648
Cash refunds from contractors	18,349	14,611
Interest received	836,801	921,385
Cash paid to contractors and suppliers	(7,065,475)	(12,568,899)
Net increase (decrease) in cash and cash equivalents	(2,032,093)	(5,969,495)
Cash and cash equivalents, beginning of year (Note 2)	16,012,341	21,981,836
Cash and cash equivalents, end of year (Note 2)	$ 13,980,248	$ 16,012,341

(See accompanying notes to the financial statements)

AGRI-FOOD INNOVATION FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition

The Agri-Food Innovation Fund was established effective March 31, 1995 pursuant to Section 3 of *The Agri-Food Innovation Act* as a corporation. The purpose of the Fund is to enhance the diversification of the Saskatchewan agriculture and food industry, support research and development and encourage farmers and rural residents to create economic opportunities and jobs. On September 25, 1995, the Government of Saskatchewan entered into the Canada-Saskatchewan Agri-Food Innovation Agreement (Agreement) with the Government of Canada to achieve this purpose.

The Fund is administered by the Agri-Food Innovation Fund Board.

The Board has entered into contracts with various contractors to carry out projects for the purpose outlined above.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting principles are considered significant:

a) Basis of Accounting

The Agri-Food Innovation Fund financial statements have been prepared on the accrual basis of accounting.

b) Revenue Recognition

Externally restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Funding received from the Federal Government is considered to be externally restricted and as a result is deferred until the program itself incurs expenditures.

Funding received from the Government of Saskatchewan is not considered to be externally restricted because the Fund is controlled by the Government.

c) Receivables/Payables

These financial instruments are both interest and non-interest bearing and are due or payable within the next year. Due to this short-term maturity, the carrying value of these financial instruments approximates fair value.

d) Cash and Cash Equivalents

Cash and cash equivalents are comprised of amounts due from the General Revenue Fund.

3. Related Party Transactions

All Government of Saskatchewan agencies such as departments, corporations, boards and commissions are related since they are all controlled by the Government. These financial statements include transactions with other Government agencies.

The Fund earned interest income of $731,146 (2000 - $596,771) on monies deposited in the General Revenue Fund. At year end, the Fund had monies deposited in the General Revenue Fund totalling $13,980,248 (2000 - $16,012,341).

Included in accounts receivable is $150,000 from Saskatchewan Agriculture and Food for the Spoke Site Endowment Project.

In accordance with Section 9 of *The Agri-Food Innovation Act*, the Minister of Agriculture and Food may provide to the Fund any supplies and employee services required to carry out its responsibilities. The Fund received office space and administrative services from Saskatchewan Agriculture and Food without charge.

Included in prepaid expenditures are amounts paid to related parties of $647,885 (2000 - $1,412,299) and included in accounts payable are amounts due to related parties of $155,106 (2000 - $660,351).

Other transactions and amounts due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

4. Due From General Revenue Fund

The monies of the Agri-Food Innovation Fund are deposited in the General Revenue Fund. The Agri-Food Innovation Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Agri-Food Innovation Fund using the Government's thirty-day borrowing rate (2001 average rate – 5.59%; 2000 average rate – 4.79%), and the Agri-Food Innovation Fund's daily balance.

5. Comparison of Planned and Actual Results for the Year Ended March 31, 2001

	2000-01	
	Budget	Actual
Expenditures:		
Board expenditures	$ 2,000	$ 40,497
Office supplies	20,000	21,315
Contractual services - Strategic Projects	12,750,000	12,181,244
Communication activities	432,000	179,088
	$ 13,204,000	$ 12,422,144

The Board approved the budget for expenditures at its March 2, 2000 meeting.

6. Federal Government Funding

Agriculture and Agri-Food Canada (Canada) is committed to contribute, by March 31, 2002, up to $64 million to the Fund under the Agreement.

Canada contributed $7,597,289 (2000 - $10,496,544) in the year under Section 5.3 of the Agreement. Under the Agreement, interest accrues on Canada's contributions until they are spent. Canada's contributions include interest of $85,780 (2000 - $235,670).

When the Agri-Food Innovation Fund Board approves a designated federal agency to carry out a project or program, the funding is provided to the agency by Canada. The project or program revenues and expenditures are recorded in the Fund. Included in revenue and expenditure on Statement 2 is $3,326,852 (2000 - $4,603,114) for projects funded directly by Canada.

7. Commitments

At March 31, 2001, the Board had approved Strategic Projects that will be expended in future years.

March 31, 2002	$ 8,786,851
March 31, 2003	2,257,000
	$ 11,043,851

Schedule 1

AGRI-FOOD INNOVATION FUND
DETAILS OF EXPENDITURES
For the Year Ended March 31

	2001
Personal Services:	
Kehrig, Ronald	$ 23,402
Travel	1,171
Payees under $2,500	15,007
Net accrual adjustments	917
Total Travel and Personal Services	40,497
Strategic Projects	
Agriculture Institute of Management in Saskatchewan	178,000
East Central Research Foundation	35,000
Garven & Associates	110,000
Gebhardt Consulting	68,120
Indian Head Agriculture Research Foundation	45,500
Maple Ridge Farm Inc.	115,000
Marmax Consultants	63,000
Nixdorf, Raymond	70,857
Nuform Packaging Inc.	27,003
Pathfinders Research & Management Ltd.	25,000
Performance Plants Inc.	45,000
Plant Biotechnology Institute	718,418
POS Pilot Plant Corporation	20,067
Prairie Agricultural Machinery Institute	160,261
Prairie Farm Rehabilitation Administration	3,326,852
Prairie Feed Resource Centre	130,000
Prairie Plant Systems Inc.	76,525
Saskatchewan Aginfonet Inc.	119,000
Saskatchewan Alfalfa Seed Producers Development Commission	51,000
Saskatchewan Association of Rural Municipalities	73,000
Saskatchewan Bounty Inc.	50,000
Saskatchewan Elk Breeders Association Inc.	40,000
Saskatchewan Food Processors Association	55,000
Saskatchewan Fruit Growers Association	44,634
Saskatchewan Herb and Spice Association	28,000
Saskatchewan Institute of Applied Science and Technology	20,000
Saskatchewan Nutraceutical Network	195,000
Saskatchewan Property Management Corporation	340,713
Saskatchewan Stock Growers Association	150,000
Seager Wheeler Farm Historical Society Inc.	33,600
Southeast Prairie Rural Development Co-operative Ltd.	20,000
Station Events Inc.	25,680
Sullivan, Andrew	33,649
Sweetman, Glen	35,528
University of Manitoba	90,000

Schedule 1 cont.

AGRI-FOOD INNOVATION FUND
DETAILS OF EXPENDITURES
For the Year Ended March 31

	2001
Strategic Projects continued	
University of Saskatchewan	1,918,780
Veterinary Infectious Disease Organization	468,000
Western Beef Development Centre Inc.	117,000
Wheatland Conservation Area Inc.	41,000
Payees under $20,000	1,132,609
Net accrual adjustments	1,884,448
Total Strategic Projects	12,181,244
Supplier Payments	
Printwest Communications Ltd.	28,885
Trinity Communications Inc.	58,937
Payees under $20,000	111,208
Net accrual adjustments	1,373
Total Supplier Payments	200,403
Total	$ 12,422,144

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Big Game Damage Compensation Fund as at March 31, 2001 and the statement of operations and net assets for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
August 21, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

BIG GAME DAMAGE COMPENSATION FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000 (Note 6)
Assets		
Current assets		
Due from General Revenue Fund (Note 3)	$ —	$ —
	$ —	$ —
Net Assets		
Net assets (Statement 2)	$ —	$ —

(See accompanying notes to the financial statements)

Statement 2

BIG GAME DAMAGE COMPENSATION FUND
STATEMENT OF OPERATIONS AND NET ASSETS
For the Year Ended March 31

	2001	2000 (Note 6)
Revenues		
Licence Sales	$ —	$ —
Interest (Note 3)	—	72
	—	72
Expenses		
Grants to Saskatchewan Agricultural Stabilization Fund - Big Game Damage Account	—	1,559
(Deficit)/surplus for the year	—	(1,487)
Net assets, beginning of year	—	1,487
Net assets, end of year - to Statement 1	$ —	$ —

(See accompanying notes to the financial statements)

BIG GAME DAMAGE COMPENSATION FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Purpose of the Fund

The Big Game Damage Compensation Fund (Fund) was established on April 1, 1997 pursuant to Section 11 of *The Wildlife Act, 1997*. The purpose of the Fund is to provide funding to the Saskatchewan Agricultural Stabilization Fund, Big Game Damage Compensation Program. The purpose of this program is to compensate producers of commercial agricultural crops for damage or loss caused by big game.

The Fund received revenue from the sale of Big Game Damage Fund Licences issued pursuant to *The Wildlife Regulations*, 1981. On May 13, 1998, the Regulations were amended by Order in Council 296/1998 and such licences were discontinued.

2. Significant Accounting Policies

These financial statements are prepared using Canadian generally accepted accounting principles. The following accounting policy is considered significant:

a) Grants

Grants are recognized as expenses in the period the grant is approved.

3. Due From General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund (GRF). The Fund's earned interest is calculated and paid by the GRF on a quarterly basis to the Fund using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The average thirty-day borrowing rate for 1999/00 was 4.79%.

4. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

5. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations and departments related to the Fund by virtue of common control by the Government of Saskatchewan.

Routine operating transactions with related parties are settled on normal trade terms. Transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Environment and Resource Management - General Revenue Fund.

6. Fund Discontinued

Effective June 27, 2000, *The Wildlife Amendment Act, 2000* repealed the legislation establishing the Big Game Damage Compensation Fund.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Cattle Marketing Deductions Fund as at March 31, 2001 and the statements of revenues, expenditures and net financial assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 31, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

CATTLE MARKETING DEDUCTIONS FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	Provincial Account		National Account		Total	
	2001	2000	2001	2000	2001	2000
Financial Assets						
Due from General Revenue Fund (Note 8)	$ 2,834,194	$ 1,054,040	$ 364,462	$ 2,334,868	$ 3,198,656	$ 3,388,908
Accounts receivable	200,451	171,188	206,798	176,455	407,249	347,643
Accrued interest receivable	44,902	43,589	---	---	44,902	43,589
	$ 3,079,547	$ 1,268,817	$ 571,260	$ 2,511,323	$ 3,650,807	$ 3,780,140
Liabilities						
Grants payable	$ 39,777	$ 225,519	$ 372,027	$ ---	$ 411,804	$ 225,519
Accounts payable	51,492	46,295	---	---	51,492	46,295
	91,269	271,814	372,027	---	463,296	271,814
Net financial assets (Statement 2)	$ 2,988,278	$ 997,003	$ 199,233	$ 2,511,323	$ 3,187,511	$ 3,508,326

(See accompanying notes to the financial statements)

Statement 2

CATTLE MARKETING DEDUCTIONS FUND
STATEMENT OF REVENUES, EXPENDITURES AND NET FINANCIAL ASSETS
Year Ended March 31

	Budget	Provincial Account		National Account		Total	
	2001 (Note 5)	2001	2000	2001	2000	2001	2000
Revenues							
Deductions (Note 1)	$1,350,000	$1,437,952	$1,403,702	$1,437,952	$1,403,694	$2,875,904	$2,807,396
Less: Commissions	50,000	42,332	41,231	---	---	42,332	41,231
Refund of deductions	70,000	97,613	110,207	---	---	97,613	110,207
Net deductions	1,230,000	1,298,007	1,252,264	1,437,952	1,403,694	2,735,959	2,655,958
Interest (Note 8)	75,000	186,121	138,834	---	---	186,121	138,834
Miscellaneous revenue	---	---	1,990	---	---	---	1,990
Total revenue	1,305,000	1,484,128	1,393,088	1,437,952	1,403,694	2,922,080	2,796,782
Expenditures							
Grants (Note 2)	550,000	574,708	1,917,281	2,649,541	---	3,224,249	1,917,281
Administration (Note 3)	16,000	15,000	15,000	---	---	15,000	15,000
Advisory Committee and other expenses	2,500	3,145	3,485	501	---	3,646	3,485
Total expenditure	568,500	592,853	1,935,766	2,650,042	---	3,242,895	1,935,766
Surplus (deficit) for the year	$ 736,500	891,275	(542,678)	(1,212,090)	1,403,694	(320,815)	861,016
Interfund Transfer (Note 6)		1,100,000	---	(1,100,000)	---	---	---
Net financial assets, beginning of year		997,003	1,539,681	2,511,323	1,107,629	3,508,326	2,647,310
Net financial assets, end of year (Statement 1)		$2,988,278	$ 997,003	$ 199,233	$2,511,323	$3,187,511	$3,508,326

(See accompanying notes to the financial statements)

Statement 3

CATTLE MARKETING DEDUCTIONS FUND
STATEMENT OF CASH FLOWS
Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash receipts from deductions	$ 2,773,966	$ 2,765,777
Cash paid to suppliers	(18,646)	(18,485)
Grant payments	(3,037,964)	(1,691,761)
Refunds paid	(92,416)	(82,886)
Interest received	184,808	123,435
Cash flows from operating activities	(190,252)	1,096,080
Net (decrease) increase in cash and cash equivalents	(190,252)	1,096,080
Due from General Revenue Fund, beginning of year	3,388,908	2,292,828
Due from General Revenue Fund, end of year	$ 3,198,656	$ 3,388,908

(See accompanying notes to the financial statements)

CATTLE MARKETING DEDUCTIONS FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Legislative Authority

The Cattle Marketing Deductions Fund (Fund) was established under *The Cattle Marketing Deductions Act* and continues under *The Cattle Marketing Deductions Act, 2000* (Act). The Act established two accounts, the Provincial Account and the National Account. The Fund's existing assets at August 29, 1983 were transferred to the Provincial Account established by the Act. The Provincial Account's purpose is to develop, improve and promote the cattle industry.

Pursuant to subsection 3 of *The Cattle Marketing Deductions Regulations, 1998*, dealers deduct $2.00 per head from the purchase price for cattle purchased. The National Account receives $1.00 a head and the Provincial Account receives $1.00 a head less the dealer's commission of $0.03 per head.

Section 12 of the Act provides for the refund of deductions apportioned to the Provincial Account. Any person may claim a refund of deductions for a calendar year by filing a claim by January 31 of the following year.

The Act was amended effective June 27, 2000. The Act now allows the Minister to provide grants for promotion and research to organizations that represent the national interests of the cattle industry. The Department of Agriculture and Food negotiated agreements with organizations that represent the national interests of the cattle industry to provide grants for promotion and research out of the National Account. (See Note 6)

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Revenue

Deductions revenue and related commissions are recognized when the cattle are sold.

b) Grants

Grants are recorded as expenditures when approved and the eligibility criteria, if any, have been met by the recipient.

3. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as departments, corporations, agencies, boards and commissions under common control of the Government of Saskatchewan.

Also, the Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

The Fund paid $160,000 (2000 - $170,700) in grants to the University of Saskatchewan.

The Livestock Services Revolving Fund provides administrative services to the Fund for an annual fee of $15,000 (2000 - $15,000).

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

4. Commitments

At year end, the Fund's Advisory Committee had approved grants from the Provincial Account totalling $1,086,801 (2000 - $418,598) for payment in the following years:

2002	$710,843
2003	$195,958
2004	$180,000

As well, the Fund is committed to pay all moneys collected for the National Account in 2002 to promotion and research agencies that represent the national interests of the cattle industry.

5. 2000/01 Budget

The Advisory Committee approved the 2000/01 budget for the Provincial Account on January 21, 2000.

6. Interfund Transfer

In prior years, the Provincial Account contributed money totalling $1,100,000 to National research agencies and expensed this amount as grant expense in the Provincial Account. The Fund has recovered these grants from the National Account as these grants were made to organizations that represent the national interests of the cattle industry.

7. Financial Instruments

Accounts receivable, accrued interest and accounts payable are non-interest bearing and are due or payable within the next year. Due from General Revenue Fund is interest bearing and due within the next year. Due to this short-term maturity, the fair value of these instruments approximates the carrying value.

8. Due from General Revenue Fund

The Fund's money is held in the General Revenue Fund. Interest is calculated on the Fund's daily balance using the Government's thirty-day borrowing rate and is credited to the Provincial Account on a quarterly basis. The Government's average thirty-day borrowing rate for 2000/01 is 5.59% (1999/00 - 4.79%).

Crop Reinsurance Fund of Saskatchewan

Auditors' Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the balance sheet of the Crop Reinsurance Fund of Saskatchewan as at March 31, 2001 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

May 4, 2001

Crop Reinsurance Fund of Saskatchewan

Balance Sheet

Year End March 31, 2001 with comparative figures for 2000

	2001	2000
Assets		
Due from Province of Saskatchewan General Revenue Fund (note 3)	$ 102,959,289	$ 88,959,768
Reinsurance premium receivable from Saskatchewan Crop Insurance Corporation	1,443,547	2,138,365
	$ 104,402,836	$ 91,098,133
Net assets	$ 104,402,836	$ 91,098,133

See accompanying notes to financial statements.

On behalf of the Board:

Chairperson

Vice-Chairperson

Crop Reinsurance Fund of Saskatchewan

Statement of Operations and Net Assets

Year Ended March 31, 2001 with comparative figures for 2000

	2001	2000
Revenue		
Premium ceded from the Saskatchewan Crop Insurance Corporation	$ 13,304,703	$ 14,140,460
Net assets, beginning of year	91,098,133	76,957,673
Net assets, end of year	$ 104,402,836	$ 91,098,133

See accompanying notes to financial statements.

Notes to Financial Statements

Crop Reinsurance Fund of Saskatchewan March 31, 2001

1. Status of the fund:

The Canada-Saskatchewan Crop Insurance Agreement between the Government of the Province of Saskatchewan and the Government of Canada provides for the establishment of two reinsurance funds:

a) The Crop Reinsurance Fund of Saskatchewan which is administered by the Government of the Province of Saskatchewan, and

b) The Crop Reinsurance Fund of Canada for Saskatchewan which is administered by the Government of Canada.

2. Significant accounting policies:

Premium ceded from the Saskatchewan Crop Insurance Corporation:
Under the terms of the agreement referred to in note 1, the Saskatchewan Crop Insurance Corporation is required to pay reinsurance premiums to the reinsurance funds based on premiums received during the insurance year.

Liability for claim payments from the reinsurance funds:
Under the terms of the agreement referred to in note 1, payments will be made out of the reinsurance funds if indemnities which are required to be paid in an insurance year exceed the aggregate of:

a) the premium receipts for the year less reinsurance premiums ceded, and

b) the net assets of the Saskatchewan Crop Insurance Corporation's Crop Insurance Fund.

To the extent that payments are required out of the reinsurance funds, the Crop Reinsurance Fund of Saskatchewan or the Government of the Province of Saskatchewan General Revenue Fund is responsible firstly for an amount not exceeding 2½% of the total liability under policies in force in the insurance year. The balance of indemnities to be paid will be shared 75% by Canada and 25% by Saskatchewan out of the respective reinsurance funds, excepting that Saskatchewan is not responsible for any amounts described in the preceding paragraph if its reinsurance deficit exceeds 16⅔% of the total liability under policies of insurance in force in that year.

Use of estimates:
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ materially from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund:

The Crop Reinsurance Fund bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan.

Interest earned on these funds is not allocated to the Crop Reinsurance Fund.

4. Statement of cash flows:

A statement of cash flows has not been prepared as a separate statement would not provide additional, useful information.

5. Fair value of financial assets:

The carrying amounts of the following financial assets and liabilities approximate fair value due to their short term nature:

- Due from the Province of Saskatchewan General Revenue Fund
- Reinsurance premium receivable from the Saskatchewan Crop Insurance Corporation.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Horned Cattle Fund as at March 31, 2001 and the statements of revenues, expenditures and net financial assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 31, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

HORNED CATTLE FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2001	2000
Financial Assets:		
Due from General Revenue Fund (Note 3)	$ 187,702	$ 246,015
Accounts receivable (Note 5)	47,830	47,066
Accrued interest receivable	2,717	2,229
	$ 238,249	$ 295,310
Liabilities:		
Accounts payable	$ 220	$ 96,662
Net financial assets (Statement 2)	$ 238,029	$ 198,648

(See accompanying notes to the financial statements)

Statement 2

HORNED CATTLE FUND
STATEMENT OF REVENUES, EXPENDITURES AND NET FINANCIAL ASSETS
Year Ended March 31

	Budget 2001 (Note 7)	Actual 2001	Actual 2000
Revenues			
Deductions (Note 1)	$ 178,000	$ 141,914	$ 157,362
Less Commissions	3,000	2,383	2,587
Net deductions	175,000	139,531	154,775
Cattle sales	50,000	160,905	132,079
Interest revenue (Note 3)	5,000	10,065	7,001
Miscellaneous revenue	---	---	2,000
Total revenue	230,000	310,501	295,855
Expenditures			
Grants	120,000	93,599	120,000
Project operating costs (Note 6)	50,000	160,905	140,342
Administration (Note 9)	15,100	15,000	15,000
Advisory Committee and other expenses	2,500	1,616	2,012
Total expenditures	187,600	271,120	277,354
Surplus for the year	$ 42,400	39,381	18,501
Net financial assets, beginning of year		198,648	180,147
Net financial assets, end of year (Statement 1)		$ 238,029	$ 198,648

(See accompanying notes to the financial statements)

Statement 3

HORNED CATTLE FUND
STATEMENT OF CASH FLOWS
Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash receipts from deductions	$ 138,767	$ 174,563
Cash receipts from cattle sales	160,905	132,079
Cash paid to suppliers and Advisory Committee	(273,963)	(69,446)
Grant payments	(93,599)	(120,000)
Interest and other receipts received	9,577	6,649
Cash flows from operating activities	(58,313)	123,845
Net (decrease) increase in cash and cash equivalents	(58,313)	123,845
Due from General Revenue Fund, beginning of year	246,015	122,170
Due from General Revenue Fund, end of year	$ 187,702	$ 246,015

(See accompanying notes to the financial statements)

HORNED CATTLE FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Legislative Authority

The Horned Cattle Fund is continued under *The Horned Cattle Purchases Act*. The purpose of the Fund is to promote research and development in the livestock industry. The Fund is administered by an Advisory Committee established under the Act. The Committee authorizes all expenditures from the Fund subject to the approval of the Minister of Agriculture and Food.

Dealers purchase cattle with horns from producers at market prices. Section 3 of *The Horned Cattle Purchases Act* requires the dealers pay the vendor's market price less $2.00 for each head of cattle sold with horns. Subsection 5(1) of *The Horned Cattle Purchases Regulations, 1983* requires dealers to submit $2.00 for each head of cattle less a $0.03 per head commission to the Fund.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Revenue

Deductions revenue and related commissions are recognized when the cattle are sold.

b) Grants

Grants are recorded as expenditures when approved and the eligibility criteria, if any, have been met by the recipient.

c) Cattle

Cattle are sold on a regular basis from the cattle herd at the Western Beef Development Centre. The revenue is recognized when the cattle are sold.

Cattle purchases are made for the purpose of research and development to improve the livestock industry. Cattle are recorded as expenditures when purchased. The estimated realizable value of the cattle herd at the Western Beef Development Centre at year-end is $307,350 (2000 - $296,300).

3. Due from General Revenue Fund

The Fund's money is held in the General Revenue Fund. Interest is calculated on the Fund's daily balance using the Government's thirty-day borrowing rate and is credited to the Fund on a quarterly basis. The Government's average thirty-day borrowing rate for 2000/01 is 5.59% (1999/00 is 4.79%).

4. Commitments

At year-end, the Fund's Advisory Committee approved grants totalling $70,000 (2000 – $128,599) for payment in future years when the recipient meets the eligibility criteria.

5. Swift Current Project

The Swift Current Project was established under a 1998 agreement with Agriculture Canada. The project will end on October 31, 2003. Under the agreement, Agriculture Canada carries out beef forage research on cattle provided by the Fund at the beginning of the project to the Swift Current Research Station (Station). The Station uses proceeds from the sale of cattle to pay for feed and care of the cattle that it uses in its research. Upon termination of the agreement, $30,000 will be paid to the Fund by the Research Station and the remaining assets will revert to Agriculture Canada. Included in the Fund's accounts receivable is $30,000 receivable from the Station.

All activities related to the cattle are those of the Station and are not shown in these financial statements.

6. Western Beef Development Centre

The Minister of Agriculture and Food entered into an agreement with the Western Beef Development Centre (WBDC) on December 1, 1996. This agreement expires on November 30, 2001. The agreement provides for the Fund to loan cattle to WBDC for research purposes. At the conclusion of the agreement, all funds remaining in the account are to be returned to the Fund. The Fund provides money from its cattle sales to WBDC to pay for the following research costs:

	Western Beef Development Centre	
	2001	2000
Feed supplements	$ 75,068	$ 23,262
Salaries	33,492	40,649
Equipment and building repairs	18,529	12,232
Tillage, seeding and manure removal	7,215	20,221
Veterinary services and supplies	6,311	5,534
Utilities, license & insurance	6,047	9,619
Municipal taxes	4,325	8,098
Fuel	4,016	6,985
Trucking and travel	2,339	5,403
Equipment rental	1,825	6,897
Miscellaneous	1,233	1,442
Cattle purchases	505	---
	$ 160,905	$ 140,342

7. 2000/01 Budget

The Advisory Committee approved the 2000/01 budget on January 20, 2000.

8. Financial Instruments

Accounts receivable, accrued interest and accounts payable are non-interest bearing and are due or payable within the next year. Due from General Revenue Fund is interest bearing and due within the next year. Due to this short-term maturity, the fair value of these instruments approximates the carrying value.

9. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as departments, corporations, agencies, boards and commissions under common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

The Fund paid grants of $71,099 (2000 - $65,000) to the University of Saskatchewan.

Livestock Services Revolving Fund provides administrative services to the Fund for an annual fee of $15,000 (2000 - $15,000).

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

LOIS A. JOHNSON, C.M.A.
CERTIFIED MANAGEMENT ACCOUNTANT

To the Members

I have audited the statement of financial position of the Irrigation Crop Diversification Corporation as at March 31, 2001 and the statement of revenues for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit also includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Lois A. Johnson

Delisle, Saskatchewan
June 19, 2000

Lois A. Johnson, CMA

Irrigation Crop Diversification Corporation
Balance Sheet
As at March 31, 2001

ASSETS:	2001	2000
CU Membership	$ 135.69	$ 5.00
Cash and Bank	77,538.77	27,017.50
Short Term Investments	101,736.48	98,281.66
Accounts Receivable	3,461.70	2,002.92
	$ 182,872.64	$127,307.08
LIABILITIES AND MEMBERS' EQUITY:		
GST payable	$ 7,129.79	$ 539.14
Prepaid Member Levies	809.91	-
Contracts Payable		1,108.76
MEMBERS' EQUITY:		
Members' Equity	174,932.94	125,659.18
	$ 182,872.64	$127,307.88

Irrigation Crop Diversification Corporation
Statement of Surplus
As at March 31, 2001

Opening Balance	$ 125,659.18
Write off Prior Years' Contracts Payable	1,108.76
From operations	48,165.00
Ending Balance	$ 174,932.94

Irrigation Crop Diversification Corporation
Statement of Revenue and Expenditure
For the year ended March 31, 2001

REVENUE:	2001	2000
Member Levies	$ 29,449.55	$ 29,090.79
Non District Levies	32,710.28	32,710.28
Project Funding	8,079.75	24,018.12
Crop Management Project Fees	1,841.15	2,065.42
Forage Management Project Fees	981.33	420.56
Interest	3,585.51	2,422.92
Total Revenue	$ 76,647.57	$ 90,728.09
EXPENDITURE:		
Project Costs	$ 18,329.58	$32,257.17
Professional Fees	500.00	500.00
Crop Management Testing	1,283.49	
Forage Management Testing	8,319.50	
Office Expense	50.00	-
Total Expenditure	$ 28,482.57	$ 32,757.17
Net Surplus for the Period	$ 48,165.00	$ 57,970.92

Irrigation Crop Diversification Corporation
Changes in Financial Position
As at March 31, 2001

Opening Cash	$ 125,304.16
From Operation	48,165.00
Increase in Accounts Receivable	1,458.78-
Increase in Accounts Payable	7,400.46+
Closing Cash	$ 179,410.94

Irrigation Crop Diversification Corporation
Notes to Financial Statements
At March 31, 2001

The objects and purposes of ICDC are:

a) to research and demonstrate to producers and irrigation districts profitable agronomic practices for irrigated crops;

b) to develop or assist in developing varieties of crops suitable for irrigated conditions;

c)to develop or assist in developing varieties of crops suitable for irrigated conditions; to provide means to researchers to conduct research into related technology, cropping systems and conservation measures under irrigation and to provide information respecting their research to members irrigation districts and the public;

d) to co-operate with SIPA, the minister and Sask Water Corporation in promoting and developing sustainable irrigation in Saskatchewan.

2. There are no restricted funds in the possession of the Corporation.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Milk Control Board as at December 31, 2000 and the statements of revenue, expenses and net assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
March 16, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

MILK CONTROL BOARD
BALANCE SHEET
As at December 31

	2000	1999
ASSETS		
Cash	$ 1,177,290	$ 1,344,190
Accounts receivable	6,335,167	5,877,194
	7,512,457	7,221,384
Capital assets (Note 3)	20,101	21,718
	$ 7,532,558	$ 7,243,102
LIABILITIES AND NET ASSETS		
Accounts payable	$ 7,317,731	$ 6,877,395
Net assets (Statement 2)	214,827	365,707
	$ 7,532,558	$ 7,243,102

(See accompanying notes to the financial statements)

Statement 2

MILK CONTROL BOARD
STATEMENT OF REVENUE, EXPENSES AND NET ASSETS
Year Ended December 31

	Budget 2000 (Note 6)	Actual 2000	Actual 1999
Revenue:			
Milk sold to processors	$113,000,000	$119,152,584	$100,448,791
Special Class Pool and Western Milk Pool (Note 4)	---	1,171,887	15,747,637
Milk Pool administration and assessment fees	660,000	686,016	673,180
Interest	60,000	106,778	55,178
Milk quality penalties	100,000	88,023	93,880
Licence fees and miscellaneous	5,000	2,525	3,622
	113,825,000	121,207,813	117,022,288
Expenses:			
Milk purchased from producers	113,000,000	120,324,472	116,196,428
Salaries	350,000	439,900	369,804
Milk pool administration expense	115,000	119,897	139,415
Cost of production study	15,000	26,479	25,882
Travel, sustenance and vehicle expense	134,000	145,638	126,096
Rent	48,000	47,955	45,630
Administrative expense	36,000	66,137	36,096
Employee benefits	45,000	45,444	35,640
Disposal of unsaleable milk	50,000	90,803	29,294
Honoraria	30,000	45,176	44,729
Amortization	8,000	6,792	8,842
	113,831,000	121,358,693	117,057,856
(Deficit) for the year	$ (6,000)	(150,880)	(35,568)
Net assets, beginning of year		365,707	401,275
Net assets, end of year - to Statement 1		$ 214,827	$ 365,707

(See accompanying notes to the financial statements)

Statement 3

MILK CONTROL BOARD
STATEMENT OF CASH FLOWS
Year Ended December 31

	2000	1999
Cash Flows From Operating Activities:		
Cash receipts from customers	$ 120,642,546	$118,619,011
Cash paid to suppliers and employees	(120,866,390)	(117,811,496)
Other	62,118	7,439
Cash flows (used in) from operating activities	(161,726)	814,954
Cash Flows From Investing Activities:		
Purchase of capital assets	(5,174)	(17,158)
Net (decrease) increase in cash during the year	(166,900)	797,796
Cash position, beginning of year	1,344,190	546,394
Cash position, end of year	$ 1,177,290	$ 1,344,190

(See accompanying notes to the financial statements)

MILK CONTROL BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

1. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles. The significant accounting policies are as follows:

a) Accrual Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Capital Assets

Office furniture and equipment is recorded at cost less accumulated amortization.

Office furniture and equipment is amortized over its estimated useful life using the straight-line method at 20% per annum.

c) Accounts Receivable and Accounts Payable

These financial instruments are non-interest bearing and are due or payable within the next year. Due to this short-term maturity, the carrying value of these financial instruments approximates fair value.

2. Incorporation

The Milk Control Board (Board) is continued as a body corporate under *The Milk Control Act, 1992* (Act). The Board has authority to make any regulations or orders in connection with the production, supply, distribution or sale of milk.

The Board is responsible under the Act for the control and regulation of the marketing of milk in the province. In fulfilling this responsibility, the Board operates a milk pooling system whereby the Board purchases all milk produced in the province and sells it to processors. The purchase price paid by the Board is based on the quality and quantity of milk shipped by producers and on the value of milk sold to processors. The value of milk sold to processors is determined by its final product use and prices established by the Board.

The Board is responsible for the milk purchased from producers and milk sold to processors. The necessary collections and payments are administered by the Board's agent, Dairyworld Foods Limited (Dairyworld).

3. Capital Assets

	Cost	Accumulated Amortization	2000 Net Book Value	1999 Net Book Value
Office furniture and equipment	$50,388	$30,287	$20,101	$ 21,718

4. Special Class Pool and Western Milk Pool

Effective August 1, 1995, the Board entered into an arrangement with its counterparts in Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Alberta, and British Columbia and the Canadian Dairy Commission (CDC). This arrangement provides for pooling of revenues from sales of milk components in special classes of milk sold in domestic and external markets. The Special Class Pool is administered by CDC.

Effective March 1, 1997, the Board entered into an arrangement with its counterparts in British Columbia, Alberta and Manitoba and CDC. This arrangement provides for pooling of revenues from sales of milk in all classes including the Special Class Pool amount for the four western provinces. The purpose of the arrangement is to pool producer returns as if the western provinces constituted a single market. The Western Milk Pool is administered by CDC.

Based on each province's monthly sales, CDC will either distribute a portion of, or require a contribution to, the Special Class Pool and Western Milk Pool.

5. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Board by virtue of common control or significant influence by the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms. These transactions are as follows:

	2000	1999
Various expenses	$ 75,112	$ 77,665

In addition, the Board pays Saskatchewan Education and Health tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

6. Budget

The budget for the 2000 year was approved by the Board on January 21, 2000.

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Prairie Agricultural Machinery Institute as at March 31, 2001 and the statements of revenue, expenses and net assets, and cash flows for the year then ended. The Institute's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Prairie Agricultural Machinery Institute as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Acting Provincial Auditor

Regina, Saskatchewan
June 21, 2001

Statement 1

PRAIRIE AGRICULTURAL MACHINERY INSTITUTE
BALANCE SHEET
As at March 31

	2001	2000
ASSETS		
Current:		
Due from General Revenue Fund (Note 3)	$ -	$ 125,148
Short-term investments	-	329,722
Accounts receivable	1,480,022	1,161,565
Prepaid expenses	50,863	41,829
	1,530,885	1,658,264
Restricted cash	34,635	34,635
Capital assets (Note 4)	3,598,916	2,893,763
	$ 5,164,436	$ 4,586,662
LIABILITIES AND NET ASSETS		
Current:		
Bank indebtedness	$ 167,329	$ 47,791
Due to General Revenue Fund (Note 3)	280,812	-
Accounts payable and accrued liabilities	369,162	307,560
Unearned revenue	124,902	194,929
	942,205	550,280
Deferred capital grants (Note 5)	1,963,566	1,772,438
Due to Government of Alberta (Note 6)	61,451	81,451
	2,025,017	1,853,889
	2,967,222	2,404,169
Net assets (Statement 2)	2,197,214	2,182,493
	$ 5,164,436	$ 4,586,662

Statement 2

PRAIRIE AGRICULTURAL MACHINERY INSTITUTE
STATEMENT OF REVENUE, EXPENSES AND NET ASSETS
Year Ended March 31

	Budget (Note 11)	2001	2000
Revenue			
Provincial transfers:			
Saskatchewan - General Revenue Fund - Department of Agriculture and Food	$ 768,000	$ 768,000	$ 768,000
Manitoba - Consolidated Fund - Department of Agriculture	332,500	332,500	332,500
	1,100,500	1,100,500	1,100,500
Fee for service	2,990,456	2,955,481	2,938,692
Subscription income	15,000	47,145	80,078
Government Capital Grants (Note 5)	-	177,716	72,262
Investment income	25,000	26,375	53,703
Other income	5,000	20,870	2,411
Total revenue	4,135,956	4,328,087	4,247,646
Expenses			
Salaries	2,097,886	2,116,479	2,064,656
Operating	1,829,213	1,889,754	1,896,107
Amortization	128,000	307,133	194,963
Total expenses (Schedule 1)	4,055,099	4,313,366	4,155,726
Excess of revenue over expenses	80,857	14,721	91,920
Net assets, beginning of year	2,182,493	2,182,493	2,090,573
Net assets, end of year (Statement 1)	$ 2,263,350	$ 2,197,214	$ 2,182,493

Statement 3

PRAIRIE AGRICULTURAL MACHINERY INSTITUTE
STATEMENT OF CASH FLOWS
Year Ended March 31

	2001	2000
Cash flows from operating activities:		
Cash receipts from customers	$ 2,721,322	$ 2,381,478
Cash receipts from General Revenue Fund	768,000	768,000
Cash receipts from Manitoba	332,500	332,500
Cash paid to suppliers and employees	(3,922,218)	(4,033,785)
Investment income	26,375	53,703
Other cash receipts	15,633	2,411
Cash flows from operating activities	(58,388)	(495,693)
Cash flows from investing activities:		
Purchase of capital assets	(1,014,549)	(456,890)
Proceeds from sale of capital assets	7,500	2,137
Cash flows used in investment activities	(1,007,049)	(454,753)
Cash flows from financing activities:		
Receipt of capital grants (Note 5)	210,217	590,214
Increase in bank loan	119,538	29,311
Cash flows from financing activities	329,755	619,525
Net (decrease) in cash and cash equivalents	(735,682)	(330,921)
Cash and cash equivalents, beginning of year	454,870	785,791
Cash and cash equivalents, end of year	$ (280,812)	$ 454,870
Cash and cash equivalents consist of:		
Due (to)/from General Revenue Fund	$ (280,812)	$ 125,148
Short-term investments	-	329,722
	$ (280,812)	$ 454,870

PRAIRIE AGRICULTURAL MACHINERY INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies of the Prairie Agricultural Machinery Institute (Institute) are as follows:

a) Short-term Investments

Short-term investments are recorded at cost which approximates their fair market value.

b) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded using the declining balance method of amortizing capital assets over their expected useful life. The following rates have been used in applying this policy:

Building	5%
Equipment	10%
Furniture	10%
Vehicles	10%
Computer equipment	30%

c) Unearned Revenue - Fee for Service Revenue

Unearned revenue consists of fee for service revenue that will be earned in future periods. Fee for service revenue on contracts is recognized using the percentage of completion method.

d) Deferred Grants

Contributions that are restricted for a specified use are initially deferred and are recorded as revenue when the related expenses are incurred. Contributions for capital assets are deferred until the assets are put in use and amortized. The amount of revenue that is recognized is equal to the amount of amortization charged for the capital assets.

e) Funding

The Institute's operations are funded by Saskatchewan and Manitoba according to an agreement between the two provinces.

The Institute, in accordance with the authority included in Order in Council 1800/79, follows the policy of retaining any excess of revenue over expenses.

On wind-up, any net assets will be divided between the two provinces in proportion to their share in the Institute's assets equivalent to the percentage of funding provided to date by each province. Saskatchewan's share is about 70% and Manitoba's is about 30%.

2. Incorporation

The Institute is a body corporate under *The Prairie Agricultural Machinery Institute Act, 1999*. The affairs and business of the Institute are managed by the Prairie Agricultural Machinery Institute Board (Board).

The purposes of the Institute are:

a) to test and appraise under actual or simulated working conditions, machinery and electronic equipment used or intended to be used in the agriculture or food industries;

b) to undertake research and development projects to improve and develop machinery and electronic equipment for agricultural or food industries use;

c) to publish such reports, pamphlets and bulletins as are consistent with the intent of the Act; and

d) to perform such additional functions as may be determined by the Board to be consistent with the objectives of the Institute.

3. Due from General Revenue Fund

One of the Institute's bank accounts is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. For much of the year, it contained a positive balance. At year end, the Institute owes the General Revenue Fund $280,812.

The Institute's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate (2001 average rate – 5.59%; 2000 average rate – 4.79%) and the Institute's average daily bank account balance.

4. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 3,681,167	$ 1,673,987	$ 2,007,180	$ 1,608,169
Equipment	1,818,924	997,350	821,574	747,068
Land & improvements	275,436	-	275,436	228,647
Furniture	198,401	163,850	34,551	29,596
Vehicles	347,982	150,043	197,939	98,264
Computer equipment	453,815	256,943	196,872	116,655
Building under construction	65,364	-	65,364	65,364
Total	$ 6,841,089	$ 3,242,173	$ 3,598,916	$ 2,893,763

5. Deferred Capital Grants

During the year, the Institute received contributions of $80,217 (2000 - $300,214) from the Agri-Food Innovation Fund (AFIF), $30,000 (2000 – $225,000) from the Department of Economic and Co-operative Development, $0 (2000 - $65,000) from the Agriculture Development Fund and $100,000 (2000 - $0) from the Manitoba Department of Agriculture. The Institute recorded $177,716 (2000 - $72,262) as revenue equal to the amount of amortization recorded for the buildings and computer upgrades.

In addition, by year end, the Institute has earned the right to receive $63,444 (2000 - $29,817) from AFIF and $125,000 (2000 - $0) from the Manitoba Department of Agriculture to build and equip the Humboldt Crops Processing Centre, to build the Portage La Prairie building, and for computer upgrades.

Included in Deferred Capital Grants is a $100,000 conditional grant received in 1995 from Saskatchewan's Department of Economic and Cooperative Development. This conditional grant was to be used to assist with the development of The Canadian Load Cell Test Center, a facility for the development, testing and certification of electronic weight measurement equipment. The facility design package has been completed but construction has not yet commenced on the test centre. The completed facility design package in the amount of $65,364, is recorded as a capital asset, and the balance of $34,634 is held as restricted cash. During the year, the Institute began a finalization process, either to secure sufficient funding for initial capital and ongoing operating requirements, or to seek the cooperation of the Department of Economic and Cooperative Development to windup the initiative. If the conditions of the grant are not fulfilled, the Department of Economic and Cooperative Development can ask that the entire grant of $100,000 be repaid.

6. Due to Government of Alberta

Effective March 31, 1988, Alberta terminated its participation in the original agreement dated October 1974 which established the Institute. As part of the termination, the Institute agreed to transfer to Alberta 35% of the Institute's net assets as at March 31, 1988. The amount owing to Alberta is $61,451 (2000 - $81,451). The Institute is discharging this liability by performing services for Alberta.

7. Commitments

The Institute has agreed to provide monetary and in-kind contributions for several research and development contracts entered into in 2000/2001. The commitments at March 31, 2001 amount to $21,660 (2000 - $26,300).

8. Financial Instruments

a) Significant terms and conditions

Significant terms and conditions related to financial instruments may affect the amount, timing and certainty of future cash flows. When such significant terms and conditions exist, they are described separately in the financial statements and the notes thereto.

b) Fair value

For certain of the Institute's financial instruments including:
i) due from General Revenue Fund
ii) short-term investments
iii) restricted cash
iv) accounts receivable
v) bank indebtedness
vi) due to General Revenue Fund
vii) accounts payable and accrued liabilities

the carrying amounts approximate fair value due to the immediate or short-term maturity of these financial instruments.

c) Credit risk

The Institute is exposed to credit risk from the potential non-payment of accounts receivable. The Institute has entered into contracts with both the federal and provincial governments. The Institute has also entered into contracts with private organizations and individuals. The credit risk on these accounts receivable is minimal because most contracts are with provincial and/or federal governments or well-established large private companies. All accounts considered uncollectible are included in an allowance for doubtful accounts.

d) Interest rate risk

The Institute is exposed to interest rate risk when the value of its financial instruments fluctuates due to changes in market interest rates. The Institute's receivables from governments are non-interest bearing. Receivables from private organizations and individuals bear interest at two percent. The Institute's payables are non-interest bearing.

e) Currency risk

The Institute is exposed to currency risk when the value of its financial instruments held in U.S. currency fluctuates. This occurs due to changes in the value of the U.S. dollar relative to the Canadian dollar. At March 31, 2001, the Institute had accounts receivable of $296,338 (2000 – $60,760) converted to Canadian dollars at year end at a conversion rate of 1.5763 (2000 – 1.4495).

9. Related Party Transactions

These financial statements include transactions with related parties. The Institute is related to all Saskatchewan and Manitoba Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan or the Government of Manitoba. Also, the Institute is related to non-Crown enterprises that the Government of Saskatchewan or the Government of Manitoba jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the standard rates charged by these organizations and are settled on normal trade terms. Those transactions and amounts outstanding at year-end are as follows:

	2001	2000
Saskatchewan		
Fee for service revenue	$ 538,668	$ 471,570
Operating expenses	214,562	312,326
Accounts receivable	226,953	189,509
Accounts payable and accrued liabilities	21,117	7,309
Manitoba		
Fee for service revenue	$ 106,928	$ 52,000
Operating expenses	77,170	51,627
Accounts receivable	148,007	-
Accounts payable and accrued liabilities	2,291	2,064

In addition, the Institute pays Saskatchewan and Manitoba Provincial Sales Tax to the respective provinces' Department of Finance on its taxable purchases made in that province. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

10. Contractual Arrangement

In 1991, the Institute entered into a contractual arrangement with Western Canada Testing Inc. (WCTI) for the use of a testing facility. Under the arrangement WCTI retains a portion of the contract price from members and non-members as a service charge for the Institute's use of the testing facility. During the year, the Institute earned $391,565 (2000 - $869,459) net of WCTI retention from this arrangement. Accounts receivable includes $176,450 (2000 - $253,354) receivable from WCTI.

11. Budget

The budget for 2000/2001 was approved by the Board on March 23, 2000.

12. Comparative Figures

Certain comparative figures have been restated to conform with the current year's presentation.

Schedule 1

PRAIRIE AGRICULTURAL MACHINERY INSTITUTE
SCHEDULE OF EXPENSES
YEAR ENDED MARCH 31

	2001	2000
Salaries	$ 2,116,479	$ 2,064,656
Shop supplies	438,539	279,177
Travel and vehicle operations	355,221	296,846
Amortization expense	307,133	194,963
Employee benefits	296,573	277,355
Insurance, licences and taxes	163,241	170,881
Utilities	119,460	86,323
Stationery and office supplies	88,217	73,936
Contractual services	80,771	352,681
Computer services	63,297	51,246
Telephone	57,693	56,326
Advertising and promotion	41,001	19,040
Professional and technical services	38,868	37,514
Printing and binding	34,786	63,589
Repairs and maintenance - building and equipment	32,825	73,702
Bad debt expense	31,447	2,067
Rent - building and equipment	26,316	28,636
Reference material	14,315	22,310
Interest expense	5,154	454
Honoraria	2,030	1,198
Other expense	-	2,826
	$ 4,313,366	$ 4,155,726

KPMG LLP
Chartered Accountants

AUDITORS' REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the statement of financial position of Saskatchewan Agricultural Stabilization Fund as at March 31, 2001 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

May 4, 2001

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Financial Position
As at March 31

	Waterfowl Account		New Crops Insurance Account		Big Game Damage Account		Agricultural Income Disaster Assistance Account		Unseeded Acreage Benefit Account		Canada-Saskatchewan Adjustment Account		Total	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
FINANCIAL ASSETS														
Cash	$ 193,830	$ 208,943	$ —	$ —	$ 146,868	$ 902,107	$ —	—	$ 1,688	88,364	$ 2,310,372	—	$ 2,652,758	$ 1,199,414
Investments (note 4)	15,200,000	15,100,000	—	—	10,150,000	9,000,000	—	—	—	—	—	—	25,350,000	24,100,000
Due from Province of Saskatchewan														
- General Revenue Fund (note 3)	2,200,000	1,905,000	28,630,139	27,314,495	1,000,000	830,000	58,241,902	130,000,000	—	310,662	—	80,000,000	90,072,041	248,180,137
Due from Government of Canada	—	—	—	—	—	—	—	—	—	—	—	180,000,000	—	180,000,000
Accrued interest and other receivables	8,326	9,320	381,126	341,028	2,150	26,910	—	—	15,798	4,384	4,059	—	411,459	383,652
	$ 17,602,156	$ 17,223,263	$ 29,011,263	$ 27,655,523	$ 11,299,018	$ 10,759,012	$ 58,241,902	$ 130,000,000	$ 17,486	$ 403,410	$ 2,314,431	$ 260,000,000	$ 118,486,258	$ 445,929,263
LIABILITIES														
Accounts payable and accrued liabilities	7,832	44,239	—	—	24,098	322	—	—	—	12,297	—	259,600,000	31,930	259,656,858
Due to the Saskatchewan Crop Insurance Corporation	—	—	4,791,171	112,401	—	—	—	—	—	—	284	400,000	4,791,375	512,401
Due to Province of Saskatchewan	—	—	—	—	—	—	—	—	6,994	—	—	—	6,994	—
Due to Government of Canada	—	—	—	—	—	—	58,241,902	130,000,000	10,492	391,113	—	—	58,252,394	130,391,113
Deferred revenue	8,199,589	9,479,309	12,057,852	14,943,299	3,429,005	3,913,679	—	—	—	—	—	—	23,686,433	28,336,387
	8,207,421	9,523,548	16,849,030	15,056,260	3,453,103	3,914,001	58,241,902	130,000,000	17,486	403,410	284	260,000,000	86,769,141	418,896,759
NET ASSETS	$ 9,394,735	$ 7,699,715	$ 12,162,232	$ 12,599,263	$ 7,845,915	$ 6,845,011	$ —	$ —	$ —	$ —	$ 2,314,147	$ —	$ 31,717,134	$ 27,032,504

See accompanying notes to financial statements

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Operations and Changes in Net Assets
For the Year Ended March 31

	Waterfowl Account		New Crops Insurance Account		Big Game Damage Account		Agricultural Income Disaster Assistance Account		Unseeded Acreage Benefit Account		Canada-Saskatchewan Adjustment Account		Total	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Revenue														
Interest income	$ 776,740	$ 773,339	$ 1,568,092	$ 1,284,437	$ 493,213	$ 437,892	$ —	$ —	$ 28,470	$ 31,420	$ 2,591,445	$ —	$ 5,457,960	$ 2,536,878
Province of Saskatchewan - General Revenue Fund grant programs	2,200,000	1,803,000	—	—	1,000,000	830,000	—	35,000,000	12,462	3,510,663	—	80,000,000	3,212,462	121,135,663
Government of Canada	1,259,720	2,161,452	2,885,942	56,251	486,474	436,380	—	—	16,693	5,263,992	—	180,000,000	4,648,829	187,930,526
	4,236,460	4,738,481	4,454,034	1,340,688	1,979,687	1,704,272	—	35,000,000	57,625	8,808,075	2,591,445	260,000,000	13,319,251	311,592,216
Expenses														
Indemnities	2,539,440	4,322,904	3,741,235	112,401	968,948	893,760	—	—	—	—	—	—	7,249,623	5,329,065
Reinsurance Premiums	—	—	1,049,935	—	—	—	—	—	—	—	—	—	1,049,935	—
Grants to Producers	—	—	—	—	—	—	—	—	57,625	8,808,075	72,152	259,600,000	129,777	268,408,075
Transfers to the Government of Canada	—	—	—	—	—	—	—	105,000,000	—	—	—	—	—	105,000,000
Administration	—	—	—	—	—	—	—	—	—	—	205,066	400,000	205,066	400,000
	2,539,440	4,322,904	4,791,170	112,401	968,948	893,760	—	105,000,000	57,625	8,808,075	277,218	260,000,000	8,634,401	379,137,140
Excess of revenue over expenses for the year	1,697,020	415,777	(337,136)	1,228,287	1,010,739	811,012	—	(70,000,000)	—	—	2,314,227	—	4,684,850	(67,544,924)
Net Assets, beginning of year	7,697,715	7,281,938	12,499,323	11,271,036	6,835,216	6,024,204	—	70,000,000	—	—	—	—	27,032,304	94,577,228
Net Assets, end of year	$ 9,394,735	$ 7,697,715	$ 12,162,187	$ 12,499,323	$ 7,845,955	$ 6,835,216	$ —	$ —	$ —	$ —	$ 2,314,227	$ —	$ 31,717,154	$ 27,032,304

See accompanying notes to financial statements

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Cash Flows
For the Year Ended March 31

	Waterfowl Account		New Crops Insurance Account		Big Game Damage Account		Agricultural Income Disaster Assistance Account		Unseeded Acreage Benefit Account		Canada-Saskatchewan Adjustment Account		Total	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Cash Flows from operating activities														
Cash receipts from the Government of Canada	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 5,657,106	$ 100,000,000	$ —	$ 100,000,000	$ 5,657,106
Cash receipts from the General Revenue Fund	—	—	—	—	—	—	—	35,000,000	19,456	3,510,662	—	80,000,000	19,456	118,510,662
Funds held by the General Revenue Fund	2,200,000	1,805,000	—	—	1,000,000	820,000	—	—	—	—	—	—	3,200,000	2,625,000
Interest received	777,734	820,751	1,528,044	1,261,691	519,933	432,653	—	—	17,036	25,036	2,587,386	—	5,430,133	2,540,131
Cash paid to the Government of Canada	—	—	—	—	—	—	(73,758,098)	(45,000,000)	(361,928)	—	—	—	(74,120,026)	(45,000,000)
Cash paid to Saskatchewan Crop Insurance	—	—	—	—	—	—	—	—	—	—	(604,862)	—	(604,862)	—
Cash paid to producers	(2,595,847)	(4,506,986)	(112,400)	—	(945,172)	(896,678)	—	—	(69,922)	(8,795,778)	(179,672,152)	—	(183,395,493)	(14,199,442)
Net increase (decrease) in cash and cash equivalents	381,887	(1,881,235)	1,415,644	1,261,691	574,761	355,975	(73,758,098)	(10,000,000)	(395,358)	397,026	(77,689,628)	80,000,000	(149,470,792)	70,133,457
Cash and cash equivalents at beginning of period	17,211,943	19,093,178	27,214,495	25,952,804	10,722,107	10,366,132	130,000,000	140,000,000	397,026	—	80,000,000	—	265,545,571	195,412,114
Cash and cash equivalents at end of period	$ 17,593,830	$ 17,211,943	$ 28,630,139	$ 27,214,495	$ 11,296,868	$ 10,722,107	$ 56,241,902	$ 130,000,000	$ 1,668	$ 397,026	$ 2,310,372	$ 80,000,000	$ 116,074,779	$ 265,545,571
Cash and cash equivalents include:														
Cash	$ 193,830	$ 306,943	$ —	$ —	$ 146,868	$ 902,107	$ —	$ —	$ 1,668	$ 86,364	$ 2,310,372	$ —	$ 2,652,738	$ 1,295,414
Investments	15,200,000	15,100,000	—	—	10,150,000	9,000,000	—	—	—	—	—	—	25,350,000	24,100,000
Due from the Province of Saskatchewan - General Revenue Fund	2,200,000	1,805,000	28,630,139	27,214,495	1,000,000	820,000	56,241,902	130,000,000	—	310,662	—	80,000,000	88,072,041	240,150,157
	$ 17,593,830	$ 17,211,943	$ 28,630,139	$ 27,214,495	$ 11,296,868	$ 10,722,107	$ 56,241,902	$ 130,000,000	$ 1,668	$ 397,026	$ 2,310,372	$ 80,000,000	$ 116,074,779	$ 265,545,571

See accompanying notes to financial statements

Saskatchewan Agricultural Stabilization Fund
Notes to the Financial Statements
As at March 31, 2001

1. Status of the Fund

The Saskatchewan Agricultural Stabilization Fund was established under *The Farm Financial Stability Act*.

The following programs have separate accounts within the Fund:

New Crops Insurance Program:
The New Crops Insurance Program was established in the 1996-97 fiscal year pursuant to Part IV of *The Farm Financial Stability Act* and is administered by the Saskatchewan Crop Insurance Corporation. The purpose of the program is to compensate the Corporation for insurance losses on new or developmental crops that fall between 100% and 165% of premiums. Private sector reinsurance was purchased for losses between 165% and 275% of premiums. The reinsurance premium was paid by this program.

Big Game Damage Compensation Program:
The Big Game Damage Compensation Program was established in the 1996-97 fiscal year pursuant to Part IV of *The Farm Financial Stability Act* and is administered by the Saskatchewan Crop Insurance Corporation. The purpose of the program is to compensate producers of commercial agricultural crops for losses to field crops and stacked hay resulting from damage caused by big game.

Waterfowl Damage Compensation Program:
The Waterfowl Damage Compensation Program was established in the 1997-98 fiscal year pursuant to Part IV of *The Farm Financial Stability Act* and is administered by the Saskatchewan Crop Insurance Corporation. The purpose of the program is to compensate producers of commercial agricultural crops for losses to field crops resulting from damage caused by waterfowl.

Agricultural Income Disaster Assistance (AIDA) Program:
The AIDA Program was established in the 1998-99 fiscal year pursuant to Part IV of *The Farm Financial Stability Act* and is administered by Saskatchewan Agriculture and Food. The purpose of the program is to facilitate the participation of Saskatchewan in a federal-provincial initiative to enhance or stabilize the income of farmers. This initiative, administered by the Federal Government, is to assist producers facing a serious decline in their profit margins for the 1998 and 1999 claim years, due to circumstances beyond their control.

Unseeded Acreage Benefit Program:
The Unseeded Acreage Benefit Program was established in the 1999-2000 fiscal year pursuant to Part IV of The Farm Financial Stability Act and is administered by the Saskatchewan Crop Insurance Corporation. The purpose of the program is to provide assistance to non-Crop Insurance program participants for the 1999-2000 crop year who were unable to seed on or before June 25, 1999 due to excessive spring moisture conditions.

Canada-Saskatchewan Adjustment Program (CSAP):
The Canada-Saskatchewan Adjustment Program was established in the 1999-2000 fiscal year pursuant to Part IV of The Farm Financial Stability Act and is administered by the Saskatchewan Crop Insurance Corporation. The purpose of the program is to enhance or stabilize the incomes of Saskatchewan farmers.

In the event that these programs terminate, any remaining net assets must be returned to the Government of Saskatchewan's General Revenue Fund.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Investments:
Investments are recorded at cost less any write down required to reflect a permanent impairment in value.

Cash and Cash Equivalents:
Cash and cash equivalents consist of cash, short-term investments with a maturity of 90 days or less, the Fund's bank accounts which are included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan (note 3) and all other amounts Due from the Province of Saskatchewan General Revenue Fund.

Revenue Recognition:
Funding received from the Federal Government is considered to be externally restricted and as a result is deferred until the program itself incurs expenses. The Waterfowl and Big Game Damage Compensation programs are intended to be funded 50% by the Federal Government and 50% by the Provincial Government; CSAP is intended to be funded 70% by the Federal Government and 30% by the Provincial Government and; the New Crops Insurance and Unseeded Acreage Benefit programs are intended to be funded 60% by the Federal Government and 40% by the Provincial Government. Therefore, the amount recognized as revenue from the Federal Government is the appropriate percentage of the program expenses.

The Fund only administers the Provincial portion of the AIDA program and as a result, the Fund does not show any funding from the Federal Government for AIDA.

Funding received from the Province of Saskatchewan is not considered to be externally restricted because the entities are under common control. As a result, grant revenue from the Province of Saskatchewan is recognized when the grant criteria, if any, have been met.

Use of Estimates:
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of

Saskatchewan Agricultural Stabilization Fund
Notes to the Financial Statements
As at March 31, 2001

revenue and expenses during the period. Actual results could differ from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund

The New Crops bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan. Interest is earned on these funds at the government's thirty day borrowing rate, and is based on the fund's average daily account balance. The average of the thirty-day borrowing rate was 5.59% (2000 – 4.79%). The Province of Saskatchewan General Revenue Fund pays interest to the fund on a quarterly basis.

The AIDA Account funds are deposited in the General Revenue Fund. Interest is not paid on this account.

All other amounts represent short-term receivables from the Province of Saskatchewan General Revenue Fund.

4. Investments

The Fund's investments are:

Maturity	Interest Rate (%)	Waterfowl Account	Big Game Account
April 30, 2001	3.85	$ 250,000	$ 250,000
May 18, 2001	4.00	14,950,000	9,900,000
		$15,200,000	$10,150,000

5. Planned results

	Budget 2000-01 ($000)	Actual 2000-01 ($000)	Actual 1999-00 ($000)
Revenue			
New Crops Insurance	2,130	4,454	51,341
Big Game Damage Compensation	2,450	1,980	1,705
Waterfowl Crop Damage Compensation	5,150	4,256	4,739
Agricultural Income Disaster Assistance	—	—	35,000
Unseeded Acreage Benefit	—	58	8,808
Canada-Saskatchewan Adjustment	—	2,591	260,000
Expenses			
New Crops Insurance	—	4,791	112
Big Game Damage Compensation	2,000	969	894
Waterfowl Crop Damage Compensation	4,400	2,559	4,323
Agricultural Income Disaster Assistance	—	—	105,000
Unseeded Acreage Benefit	—	58	8,808
Canada-Saskatchewan Adjustment	—	277	260,000

6. Fair value of financial assets and financial liabilities

The carrying amounts of the following financial assets and financial liabilities approximate fair value due to their short-term nature:

- Cash
- Investments
- Due from the Province of Saskatchewan General Revenue Fund
- Due from the Government of Canada
- Accrued interest and other receivables
- Accounts payable and accrued liabilities
- Due to Saskatchewan Crop Insurance Corporation
- Due to Province of Saskatchewan
- Due to Government of Canada

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies and boards related to the Fund by virtue of common control by the Government of Saskatchewan.

The Saskatchewan Crop Insurance Corporation administers the Waterfowl, New Crops Insurance, Big Game Damage, Unseeded Acreage Benefit and Canada-Saskatchewan Adjustment accounts. The Fund was charged administration fees by Saskatchewan Crop Insurance Corporation for the Canada-Saskatchewan Adjustment account.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

In accordance with established government practice, the Fund has not been charged with certain occupancy, financing, administrative, and other costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

Auditors' Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the balance sheet of the Saskatchewan Crop Insurance Corporation as at March 31, 2001 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

May 4, 2001

Balance Sheet

March 31, 2001 with comparative figures for 2000

	2001	2000
Assets		
Cash	$ 94,141	$ —
Investments (note 4)	3,397,270	3,298,071
Due from the Province of Saskatchewan General Revenue Fund (note 3)	263,134,827	219,224,121
Accrued interest and other receivables	8,323,654	2,829,100
Premium and other program receivables	30,814,817	35,813,574
Due from Crop Reinsurance Fund of Canada for Saskatchewan	436,137	436,137
Prepaid expenses	55,868	50,104
Capital assets (note 5)	3,113,969	3,796,115
	$ 309,370,683	$ 265,447,222
Liabilities and Net Assets		
Bank overdraft	$ —	$ 614,674
Accounts payable and accrued liabilities	2,038,689	3,217,053
Estimated indemnities payable	127,140	26,578
Reinsurance premium payable to Crop Reinsurance Fund of Saskatchewan	1,443,547	2,138,365
Deferred administration revenue (note 6)	5,167,656	3,796,115
	8,777,032	9,792,785
Net assets	300,593,651	255,654,437
	$ 309,370,683	$ 265,447,222

Commitments and contingencies (note 8).
See accompanying notes to financial statements.

On behalf of the Board:

Chairperson

Vice-Chairperson

Statement of Operations and Net Assets

Year Ended March 31, 2001 with comparative figures for 2000

	2001	2000
Revenue		
Premium contributions:		
Producers	$ 54,283,141	$ 70,626,404
Government of Saskatchewan	52,781,180	55,375,052
Government of Canada	78,893,545	55,375,052
	185,957,866	181,376,508
Less reinsurance premiums ceded:		
Crop Reinsurance Fund of Canada for Saskatchewan	11,806,841	12,552,394
Crop Reinsurance Fund of Saskatchewan (note 1)	13,304,703	14,140,460
	25,111,544	26,692,854
Net premiums	160,846,322	154,683,654
Unseeded Acreage Supplementary Program grants (note 9)	52,865	24,642,610
Interest income	13,954,520	10,718,649
New Crops Loss Recovery (note 1)	3,741,235	112,401
	178,594,942	190,157,314
Expenses		
Indemnities	133,043,739	94,812,076
Unseeded Acreage Supplementary Program payments (note 9)	52,865	24,642,610
Bad debts	559,124	154,893
	133,655,728	119,609,579
Excess of revenue over expenses from insurance operations, before administration revenue and expenses	44,939,214	70,547,735
Administration revenue		
Province of Saskatchewan operating grant (note 6)	24,228,459	23,221,316
Other administration revenue	419,967	597,735
	24,648,426	23,819,051
Administration expenses (Schedule 1)	24,648,426	23,819,051
Excess of revenue over expenses	44,939,214	70,547,735
Net assets, beginning of year	255,654,437	185,106,702
Net assets, end of year	$ 300,593,651	$ 255,654,437

See accompanying notes to financial statements.

Statement of Cash Flows

Year Ended March 31, 2001 with comparative figures for 2000

	2001	2000
Cash Provided by (Used In):		
Operating Activities:		
Excess of revenue over expenses	$ 44,939,214	$ 70,547,735
Item not affecting cash:		
Amortization	1,460,855	1,524,946
Change in non-cash operating items:		
Accrued interest and other receivables	(5,494,554)	(565,206)
Premium and other program receivables	4,998,757	(16,512,876)
Prepaid expenses	(5,764)	(7,219)
Accounts payable and accrued liabilities	(1,178,364)	309,611
Estimated indemnities payable	100,562	(386,292)
Reinsurance premium payable to Crop Reinsurance Fund of Saskatchewan	(694,818)	(117,077)
Deferred administration revenue	1,371,541	(3,656,991)
	45,497,429	51,136,631
Investment Activities:		
Purchase of capital assets	(778,709)	(1,865,841)
Increase in cash and cash equivalents	44,718,720	49,270,790
Cash and cash equivalents, beginning of year	221,907,518	172,636,728
Cash and cash equivalents, end of year	$ 266,626,238	$ 221,907,518
Represented by:		
Cash (Bank overdraft)	$ 94,141	$ (614,674)
Investments	3,397,270	3,298,071
Due from Province of Saskatchewan General Revenue Fund	263,134,827	219,224,121
	$ 266,626,238	$ 221,907,518

See accompanying notes to financial statements.

Administration Expenditures

Schedule 1
Year Ended March 31, 2001 with comparative figures for 2000

	2001	2000
Advertising	$ 502,012	$ 572,314
Amortization	1,460,855	1,524,946
Appeal Panel and Board of Directors meetings	97,253	133,140
Collection fees	193,877	271,319
Computer	1,056,753	1,235,412
Office rental	1,008,549	948,691
Office supplies and duplicating	407,913	395,909
Other	381,861	341,178
Postage	305,776	329,164
Professional fees	514,523	561,139
Salaries and benefits	15,211,990	14,069,714
Telephone	353,156	405,261
Travel and sustenance	3,153,908	3,030,864
	$ 24,648,426	$ 23,819,051

See accompanying notes to financial statements.

Notes to Financial Statements

Saskatchewan Crop Insurance Corporation March 31, 2001

1. Status of the corporation:

The Saskatchewan Crop Insurance Corporation (the Corporation), a provincial Crown Corporation, was established under *The Crown Corporations Act* and continued under *The Crop Insurance Act*.

The Corporation administers the federal/provincial Crop Insurance program. In addition, on behalf of the Saskatchewan Agricultural Stabilization Fund, the Corporation administers the Waterfowl Damage Compensation, New Crops Insurance, Big Game Damage Compensation, Unseeded Acreage Benefit and Canada-Saskatchewan Adjustment accounts. The financial results of the Saskatchewan Agricultural Stabilization Fund are reported separately.

The Canada-Saskatchewan Crop Insurance Agreement requires that reinsurance funds be established by the Government of Canada and the Government of Saskatchewan. These reinsurance funds receive reinsurance premiums from the Corporation and, under certain circumstances, pay reinsurance benefits to the Corporation.

As these reinsurance funds exclude crops insured under the Corporation's New Crops Program, a reinsurance program involving the Saskatchewan Agricultural Stabilization Fund and private sector reinsurers has been established during this current year. This reinsurance program provided the following coverage:

Ratio of Indemnities to Premiums	Liability Coverage Provided by	Liability (millions)
Up to 100%	The corporation	Up to $19.6
100% to 165%	New Crops Insurance Account of the Saskatchewan Agricultural Stabilization Fund	$19.6 to $32.4
165% to 275%	Private Sector Reinsurance	$32.4 to $53.9
Over 275%	The corporation	In excess of $53.9

The Crop Reinsurance Fund of Saskatchewan is administered by the Corporation. The operations, assets and liabilities of this reinsurance fund are shown in separate financial statements as required by *The Canada-Saskatchewan Crop Insurance Agreement*. As a crown entity, the Corporation is not subject to federal or provincial income tax, or federal goods and services tax.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital assets:
Capital assets are capitalized and amortized over their useful lives. They are recorded on the balance sheet at their net book value.

Amortization is charged against operations, and is provided on a straight line basis over the estimated useful lives of the assets with half the normal amortization taken in the year of purchase. The rates of amortization are:

Equipment	20%
Computer equipment	20%
Leasehold improvements	20%

Cash and cash equivalents:
Cash and cash equivalents consist of bank overdraft, short-term investments with a maturity of 90 days or less and the Corporation's insurance fund bank account which is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan (note 3).

Notes to Financial Statements

Investments:
Investments are recorded at cost less any writedown required to reflect a permanent impairment in value.

Premium revenue recognition:
Crop insurance is a cost-shared program. Premium payments, for each of the last two years, are cost-shared as follows:

YEAR	Producers %	Federal Gov't %	Provincial Gov't %
2000-01			
Base (50%) coverage	10	54	36
Buy-up (60-80%) coverage	40	36	24
1999-00			
Base (50%) coverage	20	40	40
Buy-up (60-80%) coverage	50	25	25

Premiums, including the producer and federal and provincial governments' shares, are recognized as income when invoiced to producers.

Use of estimates:
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ materially from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund:

The Corporation's insurance bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan.

Interest is earned on these funds at the government's thirty day borrowing rate, and is based on the Corporation's average daily account balance. Interest is paid by the Province of Saskatchewan General Revenue Fund to the Corporation on a quarterly basis. During the current year, the average rate was 5.59% (2000 – 4.81%).

4. Investments:

The Corporation's investments are in term deposits maturing during the first week of April, 2001 with effective interest rates of 5% (2000: first week of April, 2000 and 5.3%, respectively).

5. Capital assets:

	Cost	Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Equipment	$ 2,462,905	$ 1,710,129	$ 752,776	$ 724,525
Leasehold improvements	518,350	197,836	320,514	424,184
Computer equipment	13,609,944	11,569,265	2,040,679	2,647,406
	$ 16,591,199	$ 13,477,230	$ 3,113,969	$ 3,796,115

6. Deferred administration revenue:

Under the terms of federal-provincial agreements, eligible administration revenue and expenses are shared equally. Government of Canada contributions are paid to the Government of the Province of Saskatchewan General Revenue Fund, which remits them to the Corporation.

To the extent this funding was not required to pay administration fund expenses of the current year it has been deferred and shown as deferred administration revenue and will be used to fund future administration expenses.

Details of administration funding received and recorded as revenue follows:

	2001	2000
Deferred administration revenue, Beginning of year	$ 3,796,115	$ 7,453,106
Province of Saskatchewan General Revenue Fund net operating grant Received	25,600,000	19,950,000
Net operating grant recorded as Revenue	(24,228,459)	(23,221,316)
Repayment of current years' net Operating grant	---	(385,675)
Deferred administration revenue, End of year	$ 5,167,656	$ 3,796,115

Notes to Financial Statements

7. Related party transactions:

Included in these financial statements are transactions with various Saskatchewan crown corporations, departments and agencies related to the Corporation by virtue of common control exercised by the Government of the Province of Saskatchewan.

In addition, one of the Corporation's directors is a partner in an organization which provided professional services to the corporation. During the current year these services amounted to $229,424 (2000-$226,296).

Routine operating transactions with related parties are measured at prevailing market prices under normal trade terms. These financial statements include the following balances from and transactions with related parties:

	2001	2000
Accounts payable	$ 226,824	$ 739,525
Net general administration	4,993,371	4,474,880

Other related party transactions are disclosed elsewhere in these financial statements.

8. Commitments and contingencies:

Commitments:
The Corporation is committed to the Saskatchewan Property Management Corporation, a related crown entity, for several leases for office space with annual payments of $1,005,687. The leases are currently renewable on an annual basis.

Contingencies:
Pursuant to the *The Canada-Saskatchewan Crop Insurance Agreement*, in the event the agreement is terminated and no new agreement is entered into, all capital assets funded by the agreement shall be disposed of and the proceeds shall be shared equally by the Government of the Province of Saskatchewan and the Government of Canada. As of March 31, 2001, all capital assets owned by the Corporation had been funded by this agreement.

Various legal actions for additional crop insurance indemnity payments have been initiated against the Corporation. Presently, the Corporation is actively defending these cases. While the outcome of these claims cannot be determined, management is of the opinion that the result of these actions will not have a material impact on the Corporation's financial position.

9. Supplementary Unseeded Acreage Benefit:

A $25.00 per acre payment was provided to crop insurance participants who were unable to seed, at least 95% of their normal seeded acres, on or before June 20, 1999 due to excessive moisture. A small amount of additional claims were paid in the current year. The benefit, delivered under the authority of the Canada-Saskatchewan Crop Insurance Agreement, was cost-shared as follows:

	2001	2000
Government of Saskatchewan	$ 21,146	$ 9,857,044
Government of Canada	31,719	14,785,566
Total benefits paid	$ 52,865	$ 24,642,610

10. Fair value of financial assets and financial liabilities:

The carrying amounts of the following financial assets and financial liabilities approximate fair value due to their short term nature:

- Cash
- Investments
- Due from the Province of Saskatchewan General Revenue Fund
- Accrued interest and other receivables
- Premium and other program receivables
- Due to/from the reinsurance funds
- Bank overdraft
- Accounts payable and accrued liabilities
- Estimated indemnities payable

Skilnick Robertson Besler Miller & Co.
Chartered Accountants

SASKATCHEWAN GRAIN CAR CORPORATION

AUDITORS' REPORT

2000.

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the statement of financial position of the Saskatchewan Grain Car Corporation as at July 31, 2000, and the statements of revenue and expenditure, net assets and cash flows for the year then ended. The corporation's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at July 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Skilnick Robertson Besler Miller + co.

SKILNICK ROBERTSON BESLER MILLER & CO.
Chartered Accountants

SASKATCHEWAN GRAIN CAR CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT JULY 31, 2000.

STATEMENT 1

	2000			
	OPERATING FUND	RESERVE FUND	TOTAL	1999 TOTAL
ASSETS				
Cash	$ 44,511	$	$ 44,511	$ 29,583
Due from General Revenue Fund (Note 4)	8,964,903	1,361,095	10,325,998	7,732,784
Accounts receivable (Note 6)				
- accrued interest	42,725	6,593	49,318	30,584
- car leasing	632,373		632,373	1,201,267
- miscellaneous		32,668	32,668	13
Prepaid expenses	659		659	877
TOTAL ASSETS	$ 9,685,171	$ 1,400,356	$11,085,527	$ 8,995,108
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable (Note 6)	$ 30,073	$	$ 30,073	$ 657
Wage deductions payable	156		156	565
Goods and services taxes payable	43,053		43,053	41,678
TOTAL LIABILITIES	73,282		73,282	42,900
NET ASSETS - Statement 3	9,611,889	1,400,356	11,012,245	8,952,208
TOTAL LIABILITIES AND NET ASSETS	$ 9,685,171	$ 1,400,356	$11,085,527	$ 8,995,108
INVESTMENT IN CAPITAL ASSETS (Note 7)			$27,491,373	$28,957,371

(See Accompanying Notes to Financial Statements)

SASKATCHEWAN GRAIN CAR CORPORATION
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED JULY 31, 2000.

STATEMENT 2

	2000				1999
	BUDGET	OPERATING FUND	RESERVE FUND	TOTAL	TOTAL
REVENUE					
Car leasing (Note 2)	$1,000,000	$1,639,104	$	$1,639,104	$1,305,593
Interest (Notes 4 & 5)	275,000	388,220	65,119	453,339	366,354
Compensation for destroyed grain cars (Note 2)	35,000		173,086	173,086	Nil
TOTAL REVENUE	1,310,000	2,027,324	238,205	2,265,529	1,671,947
EXPENDITURE					
Salaries	50,000	50,856		50,856	64,140
Salary benefits (Notes 5 & 8)	10,000	6,433		6,433	6,561
Fleet Manager contract, travel and sustenance (Note 5)	82,000	83,418		83,418	73,912
Other travel and sustenance	1,000	774		774	3,612
Bad debt/allowance for uncollectible accounts	Nil	Nil		Nil	53,543
Administration (Schedule 1)	194,000	64,011		64,011	162,917
TOTAL EXPENDITURE	337,000	205,492	Nil	205,492	364,685
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	$ 973,000	$1,821,832	$ 238,205	$2,060,037	$1,307,262

(See Accompanying Notes to Financial Statements)

SASKATCHEWAN GRAIN CAR CORPORATION
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JULY 31, 2000.

STATEMENT 3

	2000			1999
	OPERATING FUND	RESERVE FUND	TOTAL	TOTAL
Net Assets, beginning of year	$ 7,790,057	$ 1,162,151	$ 8,952,208	$ 7,644,946
Excess of revenue over expenditure for the year	1,821,832	238,205	2,060,037	1,307,262
NET ASSETS, END OF YEAR	$ 9,611,889	$ 1,400,356	$11,012,245	$ 8,952,208

(See Accompanying Notes to Financial Statements)

SASKATCHEWAN GRAIN CAR CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2000.

STATEMENT 4

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditure for the year	$2,060,037	$1,307,262
Cash flows from non-cash working capital - see summary below	548,105	(780,979)
	2,608,142	526,283
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)decrease in due from General Revenue Fund	(2,593,214)	(616,010)
	(2,593,214)	(616,010)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,928	(89,727)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	29,583	119,310
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 44,511	$ 29,583

SUMMARY OF CASH FLOWS FROM NON-CASH WORKING CAPITAL

	2000	1999
(INCREASE) DECREASE IN ASSETS		
Accounts receivable	$ 517,505	$(564,400)
Prepaid expenses	218	1,242
	517,723	(563,158)
INCREASE (DECREASE) IN LIABILITIES		
Accounts payable	29,416	(222,874)
Wage deductions payable	(409)	565
Goods and services taxes payable	1,375	4,488
	30,382	(217,821)
	$ 548,105	$(780,979)

(See Accompanying Notes to Financial Statements)

SASKATCHEWAN GRAIN CAR CORPORATION
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2000.

1. STATUS OF THE CORPORATION

The Saskatchewan Grain Car Corporation is a Provincial Crown Corporation established on October 2, 1979 by Order-in-Council 1787/79. The Corporation continues under the authority and provisions of *The Saskatchewan Grain Car Corporation Act*.

The Corporation's mission is to maximize the economic benefits to Saskatchewan agriculture as a first priority, other Saskatchewan industries as a second priority, and the Province in general, through the effective and efficient use of its resources.

2. OPERATING AGREEMENT

The Corporation entered into an agreement dated February, 1981, with the Canadian National Railway Company, Canadian Pacific Limited, and The Canadian Wheat Board which allows the railways to lease the Corporation's cars free of charge for statutory grain service. Statutory grain service refers to the movement to port of 59 - grain products as listed under Schedule II of the *Canada Transportation Act*.

With the approval of the Corporation, the railways may lease the Corporation's cars for commercial service, provided the cars are surplus to the requirements for statutory grain service. Commercial service includes the carriage of grain at non-regulated freight rates as well as the carriage of other bulk commodities, such as potash. The railways are required to pay an agreed leasing charge to the Corporation for these movements.

The railways are responsible for maintaining and repairing the Corporation's cars at their own expense in accordance with industry standards.

In the event that one of the Corporation's cars is damaged beyond economic repair, the railway responsible is required to compensate the Corporation for the value of the car in accordance with Rule 107 of the Interchange Rules Manual of the Association of American Railroads. The value is based on the current replacement value of the car and the age of the car. All amounts received from the railways as compensation for destroyed cars are placed in a reserve fund to be used for the purchase of new cars.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles.

The Corporation uses the accrual basis of accounting. Where the Corporation is the lessor, rental revenues from car operating leases is recognized as the service is provided to the lessee and collection is reasonably assured.

(Continued on next page)

SASKATCHEWAN GRAIN CAR CORPORATION

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2000.

3. SIGNIFICANT ACCOUNTING POLICIES ... Continued

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

The financial records of the Corporation are segregated into two funds:

(i) Operating Fund, which records the operating revenues and expenditures of the Corporation; and

(ii) Reserve Fund, which records the compensation received from the railways for destroyed cars. All interest earned from cash balances is retained by the Reserve Fund.

4. DUE FROM GENERAL REVENUE FUND

Most of the Corporation's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. The Corporation's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Corporation's bank account using the Government's thirty day borrowing rate and the Corporation's average daily bank balance. The Government's average thirty day borrowing rate for 1999/2000 is 5.07% (1998/1999 5.01%).

5. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The Corporation is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Corporation is related to non-crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rate charged by those organizations and are settled on normal trade terms.

These transactions are as follows:

	2000	1999
Revenue		
Government of Saskatchewan (General Revenue Fund) - interest earnings	$ 453,339	$ 366,354

(Continued on next page)

SASKATCHEWAN GRAIN CAR CORPORATION
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2000.

5. RELATED PARTY TRANSACTIONS ... Continued

Expenditure	2000	1999
Department of Highways and Transportation - Fleet Manager services	$ 71,319	$ 59,223
Department of Highways and Transportation - Data processing and data storage	$ Nil	$ 21,055
Saskatchewan Property Management Corporation - Office rent	$ 8,635	$ 8,939
- Additional office space rental for August 1999	$ Nil	$ 512
- Printing and copying	$ 160	$ 181
- Office supplies	$ 397	$ 950
- Computer equipment	$ Nil	$ 48
Saskatchewan Telecommunications - Telecommunication services	$ 5,306	$ 10,180
Crown Investments Corporation (Capital Pension Plan) - Employee pension plan contributions	$ 1,613	$ 1,605
Workers' Compensation Board (Saskatchewan)	$ 739	$(15)

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

6. FINANCIAL INSTRUMENTS

SIGNIFICANT TERMS AND CONDITIONS
There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing or certainty of future cash flows.

CREDIT RISK
The Corporation is exposed to credit risk from the potential non-payment of accounts receivable. The Corporation's receivables consist of amounts due from Canadian National Railway Company, Canadian Pacific Limited and accrued interest on funds invested by the Provincial Government. The credit risk on collection of the receivable balance is minimal.

(Continued on next page)

SASKATCHEWAN GRAIN CAR CORPORATION
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2000.

6. FINANCIAL INSTRUMENTS ... Continued

FAIR VALUE

The carrying amount of cash, due from General Revenue Fund, accounts receivable and accounts payable approximate fair market value due to their immediate or short term nature.

7. INVESTMENT IN CAPITAL ASSETS

In 1992, the Corporation wrote off its capital assets consisting entirely of hopper cars due to the inability to project with reasonable certainty, the possible future net cash flows from usage. The following is provided for information purposes.

The Corporation purchased 1,000 covered hopper cars in 1981 at a cost of $54,214,423. As of July 31, 2000, 28 cars have been destroyed; the remaining 972 cars are in service.

The investment in the hopper cars is amortized on a straight line basis over an expected useful life of 40 years.

	2000			1999		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Rolling stock	$52,695,220	$25,203,847	$27,491,373	$52,967,491	$24,010,120	$28,957,371

	2000	1999
The 2000 amortization	$1,318,845	1999 - $1,324,187
Less: Gain on disposals	(25,933)	Nil
Net for the year	1,292,912	1,324,187

8. PENSION PLAN

The Corporation participates in a defined contribution pension plan for the benefit of its employees. The Corporation's financial obligation to the Capital Pension Plan is limited to making regular payments to match the amounts contributed by employees for current service. The Corporation's annual pension expense for 2000 amounted to $1,613. (1999 $1,605).

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SASKATCHEWAN GRAIN CAR CORPORATION
SCHEDULE OF ADMINISTRATION EXPENSES
FOR THE YEAR ENDED JULY 31, 2000.

SCHEDULE 1

	2000 BUDGET	2000	1999
OPERATING FUND			
Advertising and promotion	$ 500	$ Nil	$ Nil
Bank charges	Nil	12	201
Computer equipment	4,000	Nil	11,444
Computer maintenance	3,000	745	3,524
Consulting services	125,000	29,398	92,225
Data processing - Car leasing	1,000	Nil	21,055
Miscellaneous	1,500	137	436
Office supplies (Note 5)	1,000	2,814	1,119
Postage and courier	Nil	180	173
Printing and copying (Note 5)	1,000	1,042	897
Professional services	36,000	14,379	11,403
Rent - office space (Note 5)	11,000	8,635	9,451
Subscriptions - Railway data	Nil	Nil	809
Telecommunications (Note 5)	10,000	6,669	10,180
TOTAL - TO STATEMENT 2	$ 194,000	$ 64,011	$ 162,917

SIPA
Saskatchewan Irrigation Projects Association

Auditor's Report

To the Members
Saskatchewan Irrigation Projects Association

I have examined the statement of financial position of the Saskatchewan Irrigation Projects Association as at March 31, 2001 and the statement of operations for the year then ended. These financial statements are the responsibility of the Associations' management. Our responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. I have performed such tests as I deemed necessary to provide evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2001 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Charlene Nelson

Central Butte, Saskatchewan
November, 2001

Charlene Nelson, Accountant

SIPA

Saskatchewan Irrigation Projects Association

Statement of Financial Position

As at March 31, 2001

ASSETS

	2001	2000
Current Assets		
Cash	13687	16368
Accounts receivable	1088	565
Prepaid expenses	268	
	15043	16933

LIABILITIES AND SURPLUS

	2001	2000
Current Liabilities		
Accounts payable	8783	6166
Surplus	6260	10767
	15043	16933

Directors:

SIPA

Saskatchewan Irrigation Projects Association

STATEMENT OF OPERATIONS

For the period ended March 31, 2001

	2001	2000
Income		
Membership fees - full (note 1)	5370	5572
Membership fees - associate	452	302
Donations and Grants (note 2)	1058	0
Annual conference - registration	2849	1565
Annual conference - sponsors	700	1400
Annual conference - display	575	875
Fund Raising	495	
Promotions		80
	11499	9794
Expenses		
Administration	187	3073
Administration - phone	895	788
Conference	4599	2239
Fund Raising	381	
Meeting - mileage	4265	3251
Meeting - per diems	4545	3690
Meeting - expenditures	851	533
Promotion - signage		45
Promotion	283	153
	16006	13772
Surplus for the period	-4507	-3978
Surplus beginning of period	10767	14745
Surplus, end of year	6260	10767

SIPA

Saskatchewan Irrigation Projects Association

Notes to the Financial Statements
March 31, 2001

1. Purpose

Saskatchewan Irrigation Projects Association (SIPA) became a reality in 1996 with the passing of the *Irrigation Act, 1996*. SIPA is to provide a focus group capable of coordinating, directing and participating in activities related to irrigation policy development, program implementation, research and demonstration prioritization, economic development initiatives, and public relations to promote and foster irrigation development in our province. We are to provide a common voice for issues concerning irrigators.

2. Memberships

Membership is open to all irrigators in the province, either as projects or individuals in the business of serving irrigators.

a) Currently full membership, according to the bylaws, is restricted to irrigation districts as defined in the irrigation Act, 1996. Each member Irrigation District is entitled to one voting delegate per 5,000 irrigated acres or part thereof. But with the changes made to the Irrigation Act, 1996, we are proposing to change the bylaws to allow all irrigators to become full members.

b) Associated memberships shall be granted at the discretion of the Board to private corporations who have an interest in irrigation activities and other third parties who wish to participate in SIPA.

3. Donations and Grants

Included in Grants and donations in 1998 was a grant of $20,000 from Sask Water Corporation of which a minimum of $5000 shall be spent by SIPA on promoting irrigation in Saskatchewan through an effective communication strategy. The term of the agreement shall be from January 1, 1997 to December 31, 2002.

4. Agreements

The Board of directors has agreed to appoint two directors to the board of the Irrigation Crop Diversification's Corporation of which one of these directors shall sit on the executive management committee of the Canada - Saskatchewan Crop Diversification Centre.